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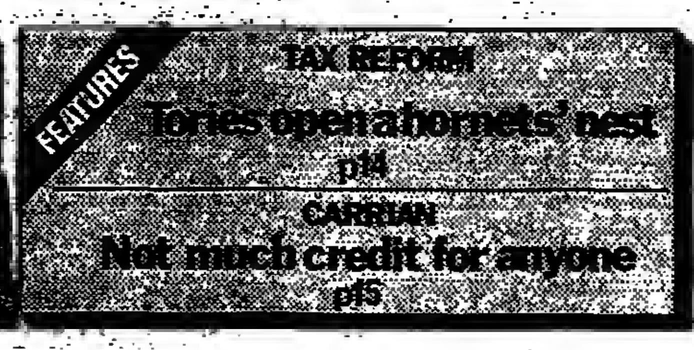
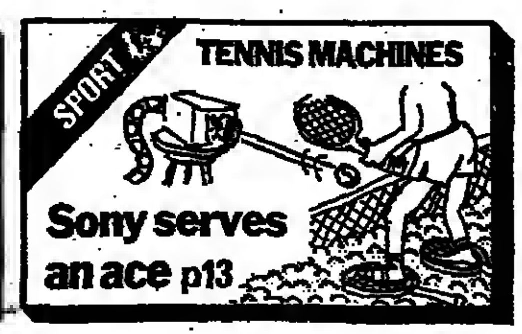
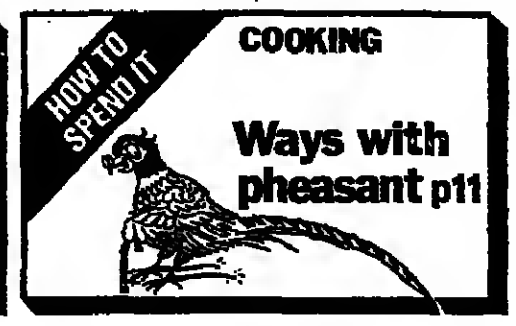






NEWS SUMMARY

GENERAL

Denmark accepts fisheries proposals

European Commission officials are optimistic that a Common Fisheries Policy will be formalised next week following the acceptance by Denmark of proposals aimed at ending the dispute with Britain.

The proposals include one which would reduce the size of the Shetland box over which there might still be disagreement. Back Page

Schmidt retreats

Former West German Chancellor Helmut Schmidt said the West should be ready to compromise on the deployment of new missiles and not cling to the U.S. "zero option." Back Page

Taps defended

Former Irish Justice Minister Sean Doherty defended the tapping of journalists' telephones while he was minister. He said national security was endangered. Page 2

Baltic collision

A West German [illegible] collided with an East German passenger liner in the Baltic Sea but both vessels were able to continue their course. There were no injuries.

Pershing tested

The Pershing-2 missile, due for Nato deployment in Europe in December, was launched successfully from Cape Canaveral, Florida, and completed its 800-mile course. Two earlier tests failed.

Waldorf walks

Stephen Waldorf, shot by police in Kensington, London a week ago, walked four feet to a chair.

Harrier crashes

A Royal Navy Sea Harrier crashed in a field near Cattistock, Dorset after the pilot ejected safely.

Hijack II

A retarded man who hijacked a Boeing 727 over Oregon and was shot dead by an FBI agent at Portland airport, had commandeered the sama flight in 1980 and was free on probation.

Ex-directory

The French Telecommunications Ministry published a pocket telephone directory for Paris — with the wrong number for the ministry.

Half-hearted

Virgil Everhart cut through the walls of his house and was well on his way through the living room before a Kentucky court order stopped him taking literally his wife's divorce demand for half his possessions.

Briefly . . .

Belgium expelled a Soviet military adviser for spying.

Denmark will stop importing South African coal by 1990.

June is 2-1 favourite with Ladbrokes for the general election.

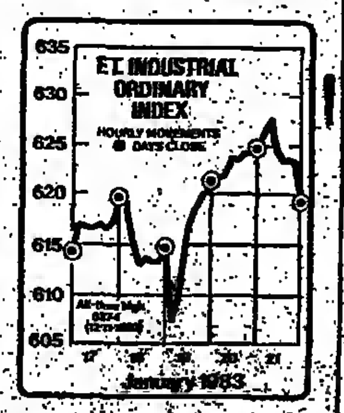
Boy, 2, is in intensive care in Leeds after being shot with an air rifle during a game of soldiers.

BUSINESS

$1.5bn bank aid for Seafirst

● MAJOR U.S. banks have arranged an emergency $1.5bn (£957m) standby credit for Seafirst Corporation of Seattle, parent of the 26th largest U.S. bank which bought $400m in energy loans from the failed Penn Square Bank. Back Page

● EQUITIES lost ground after a firm start. The FT Industrial



Ordinary Index, up 2.9 at 11 am, closed 5.4 off at 619.4, the day's low. Page 22

● [illegible]

● GOLD [illegible] to $482.5 in London. In New York the Comex February settlement was $485 ($492.5). Page 19

● DOLLAR strengthened to DM 2.446 (DM 2.423), FFr 6.9275 (FFr 6.87), SwFr 1.994 (SwFr 1.9775) and Y236.5 (Y235.25). Its trade-weighted index was 119.8 (119.4). Page 19

● STERLING fell 30 points to $1.567, its lowest close. But it rose to DM 3.8325 (DM 3.8075), FFr 10.845 (FFr 10.785), SwFr 3.125 (SwFr 3.105) and Y370.5 (Y369.5). Its trade-weighted index was 82.8 (82.4). Page 19

● WALL STREET was down 18.02 to 1,052.80 near the close. Page 18

● ISRAELI share prices fell on the Tel Aviv Stock Exchange after the Treasury said it will tighten mutual funds rules. Page 21

● CHILE'S leading commercial bank creditors called a meeting for Monday in New York—seen as a prelude to restructuring part of the country's $16.5bn (£10.4bn) foreign debt. Page 2

● EEC unemployment rose 16.7 per cent last year, bringing the number of Community jobless to about 12m. Page 2

● TRANSPORT UNION rejected an improved pay offer aimed at averting a lorry drivers' strike in London and the south east. Page 4

● CARRINGTON VIYELLA and Vantona shareholders approved the merger of the two textile groups. Page 3

● INTERNATIONAL Business Machines, U.S. computer and office equipment manufacturer, lifted net earnings by 22 per cent to $4.4bn (£2.8bn) last year. Page 21

● HAMBRO LIFE GROUP managed funds rose from £1.58bn to £2.08bn last year. Page 16; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Arlen Elect.	180	+ 8
Bellair Cosmetics	28	+ 8
Cable & Wireless	365	+ 8
Diamond Stylus	18	+ 4
Erskine House	71	+ 5
Geers Gross	193	+ 21
Saatchi & Saatchi	675	+ 35
Sheffield Brick	28	+ 9
Staffs. Potteries	41	+ 8
TI	144	+ 6
Tate and Lyle	270	+ 14
UKO	37	+ 4
United Guarantee	21	+ 8
Wintrust	178	+ 14
British Borneo	278	+ 12
Charterhouse Pet.	89	+ 6
Carr Boyd	32	+ 6
Kalbara	32	+ 5
Poseidon	415	+ 10
FALLS		
[illegible]		
Alexand. Alexander	£13¼	− 1¼
Austin (E.)	36	− 12
Bio-Isolates	280	− 10
British Printing	97	− 6
Brown (J.)	21	− 3
Burton	302	− 8
Davy Corp.	54	− 5
Dyson (J. and J.)	68	− 7
Hambro Life	322	− 16
Hawker Siddeley	366	− 8
ICI	370	− 8
Johnson, Matthey	326	− 14
Lond. L'pool Trust	452	− 18
Lucas Inds.	127	− 6
Rank Organisation	114	− 4
Sothebys	425	− 25
Anglo Amer. Gold	£73	− 3¼
Leslie	270	− 29
Rustenburg Plat.	430	− 20
West Rand Cons	240	− 47

Annual inflation rate at 5.4% last month

BY ROBIN PAULEY

THE ANNUAL inflation rate fell to 5.4 per cent in December, lower than the Government had expected and the lowest level since March, 1970 when the annual rate was 5.1 per cent. The signs are that the battle is going to be harder this year.

During December prices overall dropped by 0.2 per cent, the best since August 1969.

Yesterday's Employment Department figures show that the main reason for the fall, from November's annual rate of 6.3 per cent, was the two percentage points cut in the mortgage rate and a surprise drop in the price of wines and spirits before Christmas. This offset gas price increases and higher car prices.

In December the Retail Price Index was 325.5 (1974=100) compared with 326.1 in November and 308.8 in December, 1981.

During last year prices either fell or stood still in five months — February, July, August, September and December.

The figures for the six months to December are even better, having increased by only 0.8 per cent, giving an annualised rate of 1.6 per cent. This is the lowest six-monthly level since 1967 when the six months to October saw prices rise by only 0.2 per cent, giving an annualised rate of 0.3 per cent.

Government ministers were delighted with the figures. Mr Norman Tebbit, Employment Secretary, said the annual rate of inflation had fallen faster in Britain during the past six months than in any other major industrial country.

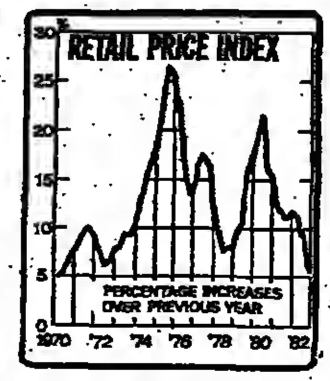
"Our record is now better than for almost 13 years. The Government is set to be the first in over 20 years to achieve a lower average increase in prices than its predecessor," he said.

Sir Terence Beckett, Director-General of the Confederation of British Industry, said the inflation news would help industry become more competitive. "We are still 20 per cent less competitiva than our main trading rivals," be said.

The index for food increased by only 4 per cent during last year, the lowest 12-monthly increase since the 1.9 increase int he 12 months to June 1968. The seasonal food index fell by 7 per cent in the year to December.

The tax and price index, which measures the gross earnings needed to keep pace with tax and price rises, increased by 5.8 per cent in the 12 months to December. This compared with an annual rate of increase

Continued on Back Page



INFLATION RATES
Annual % increase to November

Italy	16.9
France	9.4
EEC average	8.6
OECD average	6.9
UK	6.3
W. Germany	4.7
U.S.	4.6
Japan	2.3

STERLING TRADE-WEIGHTED INDEX IMPROVES

Sterling yesterday achieved the unlikely combination of its lowest ever London closing [illegible] and its highest effective exchange rate for two weeks, [illegible] writes.

The Bank of England's trade-weighted index closed at 82.8. This measure of the pound's external value has recovered by almost 1.5 per cent in the past week, despite the dollar's rise, largely because the D-Mark, one of Britain's most important trading currencies, has been so weak, depreciating by nearly 3 per cent against sterling and 4 per cent against the dollar.

The D-Mark suffered from an [illegible] nerves [illegible] the approaching West German election, while the dollar strengthened throughout the week as the markets became increasingly convinced that there would be no immediate cut in the U.S. discount rate.

In the money market, yesterday saw the first confrontation between the 1983 tax-paying season and the Bank of England's temporary arrangements to stop tax gathering from driving up short-term interest rates.

The commercial banks took up £928m of the special one-month loan facility which they had been offered by the Bank, at an interest rate of 11 33-64ths per cent. "Exchequer transactions" were at the same time mopping up £470m, on the Bank's morning estimate.

Money market rates stayed where they were supposed to. Although overnight interest rates on the interbank market had at one stage jumped to 12¼ per cent, the pressure eased by the end of the day.

Lex, Back Page

Reagan backs contingency tax

BY ANATOLE KALETSKY IN WASHINGTON AND PAUL TAYLOR IN NEW YORK

PRESIDENT REAGAN has decided on a three-year package of "contingency" tax increases, to take effect if budget deficits remain unacceptably high in the years beyond 1984, White House officials disclosed yesterday.

The new taxes will add up to about $135bn (£86.5bn) and will be imposed only if annual budget deficits from October 1985 are projected to exceed about $100bn once an economic recovery takes hold.

The precise package of taxes has still not been finalised. They may include an oil import fee as well as a temporary surtax on incomes, similar to the one imposed by President Johnson in the 1960s to pay for the Vietnam war.

The White House leaks followed a speech by Mr Paul Volcker, Chairman of the Federal Reserve Board, which warned that the deficit problem "will not go away," even when the economy recovers.

The president and congress would have to take "timely action to reduce these deficits" if an economic expansion was to be sustained, Mr Volker said.

Mr Volcker's comments sent the bond and stock markets plummeting because he noted that the Fed could not relax its monetary policy "beyond a certain point." This would lead to "donbts about the prospects for further disinflation" and aggravate market uncertainties which bave been created by the huge deficits, he said.

In the credit markets about 1.5 points were wiped off the price of the closely watched Treasury long bond in early hectic trading. By early afternoon bond prices had stabilised but were still being marked down by more than a point at the long end.

In the money markets rates ware about 20 basis points (20 times 1/5 of a percentage point) higber although the closely watched Fed funds rate hovered around the 8.25 per cent level.

Shara prices were badly hit with the Dow Jones Industrial average off 18.02 near the close to 1052.80 in moderate trading. Declines outnumbered advances by about four to one.

The markets fell in spite of the Labour Department's announcement yesterday that U.S. inflation last year had declined to 3.9 per cent, the lowest level since 1972.

This figure was bailed by Mr Martin Feldstein, Presidential Chief Economic Advicer, as evidence that "we bave finally ended the upward spiral of inflation."

Steel casting capacity to be cut by 30%

BY IAN RODGER AND ARTHUR SMITH

FIFTEEN foundries, with about 30 per cent of Britain's general steel casting capacity, are to close with the loss of more than 2,000 jobs.

The news came as Lucas Electrical announced that 1,200 car component jobs would go

Lazard Brothers, the merchant bank, said yesterday that, after more than 18 months of discussion, terms for a voluntary rationalisation scheme in the general sector of the steel castings industry had been settled.

The principle of the scheme, which is being attempted in other sub-sectors of the steel industry, is that companies that close foundries will be compensated by those that remain.

UK capacity in the general steel castings sector is about 200,000 tonnes per year but demand is running at less than 100,000 tonnes.

Lazard's initial attempt to achieve a voluntary rationalisation plan in 1981 was unsuccessful because F. H. Lloyd, the largest company in the sector, declined.

Subsequently, there were substantial ownership and board changes at Lloyd and Lazard agreed to make a second attempt last summer. However, trading conditions had deteriorated and more companies said they wished to close foundries.

Apart from F. H. Lloyd, the major companies in the sector ara Weir Group, George Blair of Newcastle, Sheffield Forgemasters, Aurora, Lake & Elliott and North British Steel.

Lucas Electrical shop stewards were told yesterday that one in ten jobs would be axed at the subsidiary's 16 factories in the West Midlands.

The division, supplying components from starter motors to beadlamps, has already cut its labour force by 25 per cent.

Compromise likely on Opec output quotas

By Ray Dafter, Energy Editor

MINISTERS of the Organisation of Petroleum Exporting Countries now assembling in Geneva are widely expected to reach a compromise agreement on production quotas in their attempt to shore up crude oil prices.

Opec has called the meeting for tomorrow to apportion the 18.5m-barrels-a-day production ceiling among the 13 member-nations.

There was speculation in the energy industry that Opec might reduce its overall production level even further to maintain a balance between supply and demand. Opec crude oil output is thought to be between 18m and 19m b/d.

Oil analysts mentioned that since Opec fixed an 18.5m production level in mid-December the international oil market had weakened even further.

Depressed economic activity, continuing rundown of stocks by oil companies and warm winter weather in the northern hemisphere all combined to put further pressure on demand for Opec oil, once as high as 31m b/d.

Ministers must either come to terms with mutually-agreed reduced production levels, or face a free-for-all competition for sales, with, almost inevitable, a big price collapse.

It is expected that Opec will again affirm its intention of defending the $34-a-barrel reference price for Saudi Arabia's Arab Light crude oil.

Analysts believe that Saudi Arabia will be forced to bear the brunt of strict production quotas. Output there is thought to have slipped to below 5m barrels a day, less than half its capacity level, and oil industry analysts believe it may bave to accept at least a temporary ceiling of 4m, to 4.5m b/d.

Much will depend on Iran and Libya, which in the past have ignored production-sharing agreements to boost their own sales.

The Middle East Economic Service of Wharton Econometric Forecasting said in Washington yesterday that there were encouraging signs

Continued on Back Page

Mild weather hits energy industry, Page 3

Water workers' leaders likely to reach settlement

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS OF Britain's 29,000 water workers seem likely to settle their pay dispute this weekend in advance of an all-out national strike planned to start tomorrow.

Full negotiations between unions representing manual workers in the water supply and sewerage industry and the National Water Council will begin this morning. The talks are likely to continue for as long as necessary to reach a settlement before the strike deadline.

The breakthrough follows three days of negotiation with the Advisory, Conciliation and Arbitration Service, which ended last night with a detailed formula on how the talks should be conducted.

It seems inevitable the employers will have to improve their 4 per cent pay offer. Any increase would be a considerable climb-down for the Government, since it originally instructed the water council to hold down its proposed 6 per cent offer to 4 per cent.

Other bargaining groups will consider that the threat of a national strike by such an industrially-powerful group as the water workers has so disturbed the Government that it has moved the previously-rigid insistence of the Prime Minister and others, on lower pay deals, particularly in the public sector.

The five point formula is as follows:

● Talks will begin today within the "purview" of the industry's joint industrial council;

● The meeting will be chaired by an outsider appointed by Acas—Mr Ian Buchanan, chairman of the London Transport wages board and an economics lecturer at Dundee University;

● Mr Buchanan will act as a mediator if necessary. This would allow him to recommend to both parties terms for a satisfactory settlement;

● He is empowered to deal specifically with the part of the unions' claim which seeks to improve the relative position of water workers in the national earnings league;

● The formula commits both sides to bargain with the firm intention of reaching agreement. However, it acknowledges the ability of the industry's procedures to put the issue to arbitration, although it accepts that this will be invoked only as a last resort.

Union leaders claimed the formula represented a victory for the water workers, in that it reopened negotiations and did not bind them to arbitration. However, it is understood on all sides that while arbitration is not directly linked to the other stages in the formula it is clearly available.

The employers will be seen to have made considerable concessions, because they have insisted since November 11, when the 4 per cent offer was made, that the union's 15 per cent claim should be put to arbitration. Previous drafts of the formula, rejected by the union side, bound them to arbitration much more rigidly.

If the discussions succeed union leaders could re-call the full negotiating team, which is standing by. However, all sides stressed yesterday that the formula did not insist that industrial action should be called off as a pre-condition of talks.

The negotiations are likely to produce a satisfactory offer on this year's pay claim, but it seems unlikely that a mediator brought in at such a late stage will be able to place the water workers in a satisfactory position in the earnings league.

Accordingly, some tightly-worded formula is likely to be reached for further talks on the group's place in the earning's league. Acas officials will then argue that this and the new pay offer should be enough for the industrial action to be suspended.

£ in New York

	Jan. 20	Previous
Spot	$1.5810-5820	$1.5590-5605
1 month	0.35-0.32 dis	0.35-0.32 dis
3 months	0.87-0.82 dis	0.85-0.82 dis
12 months	2.45-2.35 dis	2.50-2.40 dis

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For latest Share Index phone 01-246 8026

Chile's leading bank creditors call meeting for Monday

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

A DOZEN of Chile's leading commercial bank creditors have called a meeting for Monday in New York. This was seen in the Euromarket last night as a prelude to a restructuring of part of Chile's $16.5bn (£10.44bn) foreign debt.

The meeting will follow a spate of bad news from the Chilean banking and commercial sector, starting with a decision a week ago by the government to liquidate three financial institutions and assume direct control over the affairs of five leading commercial banks.

As the country's financial problems spread into its commercial sector, 12 subsidiaries of the large BHC and Cruzat-Larrain groups declared themselves unable to meet payments due on bank loans and bonds.

The main purpose of the meeting on Monday will be to explore ways to handle the foreign debt problems of the banks which have been closed, and of those which have passed to government control. They amount to about $4bn.

A common view in the market was that some stretch of debt repayments, as well as new money, will be needed this year by private-sector Chilean borrowers on international markets. They will account for most of the country's $3bn which are expected to be needed to service the foreign debt this year. The public sector will be required to supply payments of interest and principal of less than $1bn this year.

Seven leading U.S. banks — Bank of America, Bankers' Trust, Chase Manhattan, Chemical, Citibank, Manufacturers' Hanover and Morgan Guaranty —will attend the meeting, with banks from Japan, the UK, West Germany and Switzerland: Midland Bank is expected from the UK.

Chile's decision to liquidate three financial institutions caused a storm of protest in the euromarket because most of one of the banks involved—Banco Unido de Fomento—was foreign-owned. Shareholders include Manufacturers' Hanover, Crédit Suisse, Bank of Tokyo, Banco do Brasil, Banco Exterior of Spain and Deutsche Suedamerikanishe Bank.

As a result, the Chilean authorities have now decided that the foreign liabilities of the three institutions, which amount to $400m, are to be taken over by the state-owned Banco del Estado.

After the meeting on Monday the banks involved will hold further discussions with the Chilean central bank on a plan to sort out the problems.

● Venezuela, which is struggling to re-finance about $8.7bn in short-term debt, owed to foreign creditors, has announced the resignation of Sr Ignacio Sandoval, its director-general of Public Finance and a leading figure in its foreign debt relations with international banks.

The move has increased uncertainty about Venezuela's ability to achieve its re-financing programme although the government also announced yesterday that it has received budgetary authority for its development institute, the Corporacion Venezolana de Formento (CVF) to pay about $80m in arrears on foreign loans which it had guaranteed. Some of the arrears recently became the subjects of law-suits in New York.

CVF has paid back interest of $28m, due on a $315m loan from a syndicate of banks led by Bank of America.

Brazil takes over biggest building society

By Hugh O'Shaughnessy in London and Marguerite Tarrant-Smith in Sao Paulo

THE BRAZILIAN government has taken over the country's largest building society, Delfin Rio S.A. Crédito Imobliária, and guaranteed the accounts of its 3.3m depositors up to cruzeiros (£14,000).

Delfin was hit this month by a wave of withdrawals after widespread publicity about its liquidity problems. Sr Mário Adreazza, the Interior Minister, said that the government was taking the company over in order to protect small investors.

Delfin has been run by Sr Ronald Guimarães Levinsohn, a flamboyant entrepreneur and the company's principal shareholder, who made a sales drive for the funds of smaller investors.

The difficulties of Delfin—which is not connected with Prof. Antônio Delfim Neto, the Brazilian Planning Minister — are not expected to share the confidence of the commercial banking system in Brazil because the building society did not have many dealings in the inter-bank market. Worries are being expressed, however, about the psychological effect of Delfin's failure on the mass of small and financially unsophisticated depositors.

Sr Nelson da Matta, for the Brazilian Building Societies' Association, said yesterday that Delfin depositors were "totally protected," and that members of his association would guarantee those who had money in Delfin in excess of the limit guaranteed by the state. He did not explain how this would be done.

There has been a run on Brazilian building societies this month. They offer accounts whose value is automatically adjusted in line with the official rise in the cost of living, and which attract interest.

Former deputy PM to quit Haughey's front-bench team

BY BRENDAN KEENAN IN DUBLIN

The Irish Opposition leader, Mr Charles Haughey, has accepted the resignations from the front bench of his former deputy premier and former Justice Minister in the wake of the phone-tapping scandal.

Mr Haughey has established a committee of MPs from his party to examine the matter and report to the party. There is to be a special meeting of his parliamentary party tomorrow.

Mr Ray McSharry, the finance spokesman, who secretly taped a conversation with a party colleague, said he did not know the recorder was police equipment and that police transcription facilities were used.

Mr Sean Doherty, the justice spokesman, defended the tapping of the telephone of two prominent journalists while he was minister. He said national security was endangered through leaks of highly confidential government papers and memoranda.

The head of the Irish police and his deputy in charge of security, have already resigned over the issue, which resulted from an inquiry by the two-month-old Government of Dr Garret FitzGerald into the allegations.

Mr Haughey said the Government's disclosure of "security matters" was unorthodox.

Mr McSharry's reasons for wanting to tape the conversation with the former Education Minister Dr Martin O'Donoghue, remain a mystery.

Mr McSharry said it was to protect his character after suggestions about "certain financial arrangements which might be entered into if certain things were done—things which I was not prepared to enter into."

Neither he nor Dr O'Donohue was prepared to elaborate and people have been left to speculate as to what the financial arrangements might be and what Mr McSharry was meant to do.

The rotten fruit of Ireland's Watergate

BY OUR DUBLIN CORRESPONDENT

NOT SURPRISINGLY, they are calling it "the Irish Watergate." It is an easy cliche for a scandal which includes the tapping of telephones and the use of hidden recorders.

But in the Irish Republic, where the head of the police force and one of his deputies have resigned over the tapping of two journalists' phones, some are wondering if the parallels with the politics of the Nixon era are not even more disturbing.

What emerged from the newly elected government's inquiries was not just improper use of police powers but the picture of an administration in which Mr Charles Haughey's ministers appeared to have lost touch with reality.

The fact that Mr Sean Doherty, the former Justice Minister, signed official warrants authorising the tapping of telephones belonging to two prominent political journalists, meant his actions were on the files and likely to come to light.

The secret recording of a conversation between Mr Ray McSharry, the former deputy premier, and a party colleague would have been a private matter—as Mr McSharry says he intended—but for his decision to borrow a police recorder and Mr Doherty's decision to use police facilities to transcribe the tape.

The two ministers showed not just scant regard for propriety but something approaching political ineptitude. Mr Haughey says he knew nothing of these events but admits he must take some responsibility, as Premier at the time, for the actions of ministers.

Both ministers were among his hand-picked men. Indeed, in the closing months before he lost office in November, Mr Haughey's Cabinet consisted almost entirely of his supporters within the Fianna Fail party.

Last Wednesday, when the revelations were made, most of them were closeted in Mr Haughey's north Dublin mansion preparing their response.

Ever since the 1970 arms trial, when Mr Haughey was acquitted on charges of trying to smuggle guns to Northern Ireland, they have felt themselves surrounded by enemies.

Mr Haughey controls the Fianna Fail party machine but has made little attempt to woo the third of the parliamentary party and an unknown proportion of the rank and file, which oppose him. The coalition Government led by Dr Garret FitzGerald sees Mr Haughey, not just as an opponent, but as a man who should be kept out of office at almost any cost.

Mr Charles Haughey

Mr Haughey's style, since achieving leadership in 1979, has been to deal ruthlessly with opponents and to govern in a highly personal way. He overrode the doubts expressed by finance officials that the 1981 budget was unrealistic and he devised Dublin's policy during the Falklands crisis almost without reference to the Foreign Affairs Department.

His supporters, however, seemed to have less of an instinct over where to draw the line. The families of dissident MPs were subjected to abusive telephone calls during last year's leadership battles and Haughey supporters attempted to assault some of them in parliament buildings after the leadership vote last October.

It now appears that while all this was going on Mr Doherty was virtually instructing the police to tap journalists' telephones in order to track down Cabinet leaks.

The issue may prove a slow burning fuse for Mr Haughey and Fianna Fail. One ominous sign could be the statement of the chairman of the parliamentary party, who has supported Mr Haughey throughout.

"There is no room in my politics for this kind of behaviour," he said.

Dr FitzGerald may yet set up a general inquiry into allegations of political interference with the police. There is also the unresolved matter of who advised the Royal Ulster Constabulary to detain a man on the day he was due to give evidence against Mr Doherty's brother-in-law.

But, if certain politicians and policemen have acted unwisely, even improperly, they were only picking the rotten fruit which has long been growing in Irish politics.

Where the police are concerned, successive governments, of all parties, have reserved the right to approve senior promotions and have influenced transfers and appointments. As a result, many senior officers owe their preferment to a political party and are not in the best position to resist pressure.

A similar pattern is evident in other sensitive areas, such as broadcasting and planning. The civil service has successfully preserved its independence, but has been to the fore in preventing other organisations doing the same.

There are disturbing signs of low standards in all parties. Mr Haughey has been the subject of a spate of scurrilous rumours.

His deputy Mr McSharry, said yesterday that he had suffered so much rumour mongering that he had considered quitting political life.

Mr Haughey himself is a born survivor and no one has linked him directly to the scandal. He may well overcome it and, given the economic difficulties facing Dr FitzGerald's government, may be Prime Minister again.

The test for Dr FitzGerald will be to ensure that Mr Haughey, or anyone else, inherits a system less open to abuse than the one built up over 60 years.

Japan to grow in Europe

BY JOHN WYLES IN BRUSSELS

ON PRESENT trends, the rate of Japanese investment in Europe will be "more than double" in this decade than in the 1970s. Mr Sadanori Yamanaka, the Japanese Minister of International Trade and Industry, predicted here yesterday.

He told an EEC-Japan symposium that, since the beginning of 1980, 40 separate investments had been made or decided by Japanese companies.

Taking up the symposium's theme of industrial co-operation, Mr Yamanaka urged his audience of business people and European bureaucrats to adopt three proposals to encourage future development.

The first was the creation of a forum for regular consultations between MITI and the European Commission. The second was greater efforts by governments to stimulate co-operation—here, the Minister offered as a model the provision of Export-Import Bank finance for Japanese companies investing overseas and of Japan Development Bank aid for foreign companies wishing to invest in Japan.

Italian talks on wage index to continue

By James Buxton in Rome

CONFINDUSTRIA, the Italian private-sector employers' association, yesterday reported some progress in the crucial negotiations aimed to cut Italian labour costs and modify the scala mobile wage-indexation system.

The talks, in which Sig Vincenzo Scotti, the Labour Minister, is consulting alternatively employers and unions, are now to go on while there remains hope of a voluntary agreement.

The talks were to have been suspended if the two sides had not reached agreement by midnight on Thursday. The Government would then have been left to intervene with its own proposals. However, despite considerable tension on Thursday, the situation was judged sufficiently favourable for Sig Amintore Fanfani, the Prime Minister, to waive the deadline.

EEC jobless up 16.7%

BY OUR BRUSSELS CORRESPONDENT

REGISTERED unemployment in the European Economic Community climbed to about the 12m mark in December, at least 16.7 per cent more than in December 1981.

According to Eurostat, the EEC's statistical bureau, the biggest growth in the 12 months was 36 per cent in the Netherlands, followed by 30.5 per cent in West Germany and 27.5 per cent in Ireland. Denmark and France have enjoyed such relatively small increases—of 2.6 and 5.8 per cent respectively—that, according to Eurostat, their "unemployment would appear to be stabilising, albeit at a high level."

Eurostat seemed less certain than usual about the total unemployed in the EEC, because of the change in the way the jobless are being counted in the UK.

Kohl reassures allies over arms negotiations

PARIS — Chancellor Helmut Kohl of West Germany, here to mark the 20th anniversary of his country's friendship treaty with France, said yesterday that Bonn had no intention to seek with the Soviet Union accommodation which would damage its position in the western Alliance.

"We are not wanderers between worlds, our place is at the side of our friends, the European Community and the Atlantic Alliance," Dr Kohl said in a speech shortly after his arrival.

"We are not go-betweens between east and west. We are not seeking an accord with the Soviet Union which would be to the detriment of our friends, the Americans and the French."

The Chancellor's remarks, which were not in a prepared text, were clearly a response to a strong warning yesterday by President Francois Mitterrand of France about the dangers of the European allies uncoupling themselves from the U.S.

The issue has risen over opposition in West Germany to the Nato decision to deploy new, medium-range missiles there this year, if Moscow were to fail to dismantle its SS-20 rockets, as well as older ones.

Meanwhile in Bonn, it was announced that Herr Hans-Dietrich Genscher, the West German Foreign Minister, will visit Washington next week in the latest of a series of intensive consultations on the issue of nuclear arms deployment in Europe.

Officials said Herr Genscher would discuss the matter with President Ronald Reagan, vice-president George Bush and Secretary of State George Shultz.

Reuter

Chancellor Kohl

Bolivian cabinet reshuffled by President

LA PAZ—President Hernan Siles Zuazo yesterday reappointed part of the Bolivian cabinet which resigned on Thursday in the most serious crisis in the left-wing administration's brief life.

Trade unions and newspapers yesterday warned of the consequences of the crisis for debt-ridden Bolivia, which returned to civilian government only three months ago after 18 years of virtually uninterrupted military rule.

The President reappointed ministers who resigned to give him a free hand in reshuffling the cabinet and held talks to replace six other ministers who quit following disputes within the ruling coalition.

Vice-President Jaime Paz Zamora, head of the movement of the revolutionary left, which pulled its members out of the cabinet earlier this month, accused the Government of being dominated by a clique. "This group no longer reflects the will of the people," he said.

Mr Paz Zamora also accused the Government of failing to tackle Bolivia's lucrative drug trafficking. He said he had not managed to obtain a meeting of the ruling coalition on the issue since it came to power.

Reuter

Grim forecast on Danish budget deficit

BY OUR COPENHAGEN CORRESPONDENT

CUTS of DKr 30bn (£2.2bn) will have to be made by Mr Henning Christophersen, Denmark's Finance Minister, if the budget deficit for 1984 is to increase by only DKr 10bn to DKr 80bn. These cuts would be half as big again as last autumn's.

The grim forecast comes from Handelsbanken, whose chief economist, Mr Svend Moeller Nielsen, sees little chance of holding the 1984 deficit on the government's current and investment account at this year's DKr 70bn.

"There is a sort of built-in momentum," he says, and he expects interest on the deficit alone this year to amount to between DKr 12bn and DKr 14bn.

Without further cuts, the bank estimates the government deficit could rise to around DKr 100bn in 1984.

"It will be difficult to reverse the trend in 1984," he says. "If we are lucky, it will come down in 1985."

Mr Moeller Nielsen also wants to see exports increased and improvements in the country's competitiveness which will create more jobs, reduce the cost of unemployment benefits and increase tax income.

He says of the government's proposal that wage rises should be limited to 4 per cent in the current round of pay deals is too high and is in line with increases in rival countries.

Paris loan package for Morocco

BY FRANCIS GHILES, IN PARIS

FRANCE WILL grant Morocco financial aid worth FFr 1.8bn (£166m) this year, according to an agreement reached last week between M Jacques Delors, the French Finance Minister, and his Moroccan counterpart, M Abdelatif Jouahri.

This represents a large increase over last year's figure of FFr 1.4bn and should help Morocco during a year which promises to be difficult.

The package, which includes a mix of Treasury loans, export credits and aid is the largest of its kind granted by France to one of its ex-colonies.

It comes 10 days before the French President, M Francois Mitterrand, is due to visit Morocco.

That visit was initially planned for last October but was rather abruptly put off by King Hassan. Relations between France and Morocco, which excellent when M Giscard d'Estaing was at the Elysee, have deteriorated since the Socialists came to power in 1981.

Moroccan officials, however, will welcome the new agreement. The Kingdom's balance of trade deficit, which increased from Dirhams 900m (£91m) in 1981 to Dirhams 1.25bn last year, is expected to rise again this year.

Between 1978 and the end of 1982, its disbursed foreign debt doubled to $10.1bn. According to the latest World Bank figures, the debt service ratio reached 35.6 per cent of exports and transfers at the end of 1982.

'Hundreds' held in Tanzania

By Michael Holman

AN undisclosed number of soldiers and civilians were arrested earlier this month "following an attempt to incite unrest," a senior Tanzanian police officer said yesterday.

No details are available, although one unconfirmed report claimed "several hundred" people had been held.

President Julius Nyerere heads the one-party state of 18m people, which is in the grips of a worsening economic crisis, marked by exhausted foreign exchange reserves.

Kuwait to join Yugoslavia aid

By David Buchan

KUWAIT is expected to join 15 western governments in providing new credits to Yugoslavia, thereby broadening the political scope of the rescue package for the non-aligned Balkan country.

The Gulf country attended the meeting this week in Berne which produced overall agreement on governmental aid of $1.3bn (£820m). It is understood to want to take action "separate but parallel" to that of the 15 western governments, and might bring in a few of the smaller Gulf countries, though not conservative Saudi Arabia, which has no diplomatic ties with communist Yugoslavia.

Kuwait has loaned $250m, in each of the past two years, to Yugoslavia, which has substantial construction contracts in the Middle East. A similar loan would bring the total rescue package to $1.5bn.

Egypt offered increase in aid

BY CHARLES RICHARDS IN CAIRO

THE WORLD BANK is prepared to increase its aid to Egypt, Mr Tom Clausen, the bank's president, said in Cairo.

The World Bank has loaned Egypt $2.6bn (£1.7bn) since 1959, including $465m to $470m in the last fiscal year. Mr Clausen indicated that in real terms the figure would be increased but he declined to give a figure. Egyptian officials are hoping for $600m to $700m a year.

Mr Clausen said Egypt was unlikely to be readmited to the International Development Agency (IDA), which provides much cheaper loans for developing countries, because its creditworthiness does not place it on the list of the world's most needy countries.

Mr Clausen said that the World Bank was very interested in helping Egypt within the framework of the Assembly.

He said the World Bank would explore specific projects in the plan in an attempt "to expand and increase the financial level of support for Egypt over and above the current $465m to $470m."

He declared that Egypt has "very great potential, but it needs help as it has only limited indigenous resources."

On the structural problems of the Egyptian economy, such as the high level of subsidies, he said: "We are satisfied at the high level of awareness in senior government of the problems."

Some of his officials, however, have been more critical in private of Egypt's low energy prices, about 20 per cent of world prices.

He said that although the speed with which Egypt was tackling these problems would satisfaction" the progress achieved by Egypt towards its goals of economic prosperity and welfare during the last decade.

On the world economy, he predicted it would start to emerge from the recession in the last quarter of 1983. "What the world needs is growth to relieve the impact on unemployment. Hopefully, 1983 will be better. I think it will be as far as economic growth, but I don't see any strong quick resurgence."

He described the very difficult times with a slow rate of growth at best and the "negative growth in international trade." He warned against rising protectionism in more and more countries and high unemployment.

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Swiss arms charge

The Swiss Government is investigating an allegation that the British subsidiary of the Swiss freight company Kuehne and Nagle International illegally shipped arms to South Africa through Switzerland, a justice Ministry official said yesterday, Reuter reports from Berne. The company denied the accusation.

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Broadland Properties buys Hever Castle

By Antony Thorncroft

HEVER CASTLE in Kent, Lord Astor's former home, has been sold for an undisclosed sum to Broadland Properties, part of the Guthrie group, a private company.

Most of the contents, including the armour, will be auctioned by Sotheby's in London during the summer.

Hever Castle and its 3,145 acre estate was put on the market in April. Lord Astor instructed Savills and Sotheby's to sell the castle, its contents and the surrounding farms complete for £13.5m.

There were numerous inquiries but no one was prepared to take on the whole estate. Hence the sale of the property to Broadland, which specialises in acquiring estates and selling them in separate units.

This is the plan for Hever, with tenant farmers being given the opportunity to buy the land they farm. The castle and the adjacent Tudor village will remain open to the public. Many treasures will be disposed of by Lord Astor through Sotheby's.

Art sales are expected to raise more than £2m. More than £500,000 is expected for a Milanese suit of armour made around 1545 for Henri II of France.

Other major lots in a sale scheduled for May 5-6 in London are a 14th century gothic ivory casket, which should exceed £120,000 and 10 drawings of the Spanish Armada by Robert Adams, thought to be the best contemporary visual record of the engagement.

Anne Boleyn's autographed Book of Hours has been bought by Broadland, along with the castle's furniture. Lord Aster, who lives in Scotland, has approved the deal.

● The first important Old Masters sales of the year took place in New York this week with some fine paintings selling at modest prices. Colnaghi, the London dealer, bought an authenticated Tintoretto, The Angel Announcing to St Catherine Her Martyrdom, for £51,862. The sale totalled £876,115 with 26 per cent bought in.

Sotheby's had a similar sale totalling £1,302,554, with 22 per cent bought in, and an oil sketch by Murillo of The Mystic Marriage of St Catherine realising £133,121. A Pieter Brueghel, The Wedding Procession, sold for £147,134.

Court told of LT 'breakeven duty'

BY CHARLES BATCHELOR AND NICK GARNETT

THE REQUIREMENT to break even financially was paramount among the legal duties imposed on London Transport, the High Court was told yesterday.

Mr John Drinkwater, QC, for London Transport, said that requirement overrode even the duty to provide a system to meet London's public transport needs.

It would not be lawful to meet those needs in a manner that would increase London Transport's operating deficit, he said.

It was for that reason, much as it would like to have lower fares, that London Transport opposed—on its lawyers' advice—the Greater London Council plan to reduce fares by an average 25 per cent and increase its subsidy by £100m.

The GLC is asking the court to rule that its new plan is lawful, unlike its earlier Fares Fair scheme, outlawed by the House of Lords in December 1981.

The council says the plan is an attempt to fulfil its statutory duty to provide London with an integrated, efficient and economic transport system, and not the product of a low-fares policy.

Mr Drinkwater said the GLC had budgeted for a transport deficit as a matter of preferred policy and not unavoidable necessity.

That was precisely what the Law Lords in the Fares Fair case had said was not permissible.

He said the absolute character of the "break even" duty was qualified only by the requirement to do so "so far as is practicable."

The GLC's case was that this meant so far as reasonably practicable, while seeking to give effect to a particular transport policy in which the emphasis was on transport needs.

That was the wrong approach, said Mr Drinkwater. London Transport had to maximise fares to a level that would enable it to break even, while keeping the quality of the service at a level it regarded as meeting transport needs.

It was not permissible to meet those needs by increasing the deficit if it was practicable to do so by raising fares, or by keeping them at their present level.

Lord Justice Kerr: "Are you saying that total fare revenue may never be reduced below the level existing at any time when there is a deficit, if inevitably a greater deficit will result?"

Mr Drinkwater: "Yes, I am saying that."

London Transport's "break even" duty had to be a primary consideration of the GLC, whose policies must be consistent with that, Mr Drinkwater added.

The hearing will end on Monday, but the court is expected to reserve its judgment until later.

Fieldhouse wrangle continues as textile companies merge

SHAREHOLDERS of textile groups Carrington Viyella and Vantona yesterday approved the merger of the two companies.

However, the wrangle continued over Mr Bill Fieldhouse, Carrington's chairman.

Mr Fieldhouse, who has renounced his right to a £375,000 compensation payment from Carrington Viyella—Vantona, said he had objected to the drafting of the paragraph about his service contract in the offer document.

He said it made "me look as though I was not keen on the deal and am petulant and sulky."

In Manchester, at the Vantona shareholders meeting, Sir James Spooner, chairman, said Vantona's board was not aware until an advanced stage in the merger talks that Mr Fieldhouse had a service contract with Carrington Viyella. Vantona understood this was a replacement contract for one held with Letraset.

Mr Ralph Quartano, of the Post Office Pension Fund and a Carrington Viyella shareholder, welcomed Mr Fieldhouse's decision to give up his compensation rights.

"That clause was odious and would have tainted other boards by giving grounds to the general supposition that directors of public companies in times of difficulty use their powers to put themselves in an unreasonably privileged and protected position."

Prospects for harmony on the merged board do not appear good after remarks made yesterday.

Mr Fieldhouse said he and the senior Vantona executives had different management styles.

"We have different perceptions of how our increasingly large business should be managed. We have merged our differences to produce the merger."

Mr Fieldhouse said the heart of the 15-man merged board would be the three executive directors from each company. "They will produce the synergy," he said.

Sir James Spooner said of Mr Fieldhouse: "He will find it fairly uncomfortable and so will we. But I don't think we must give disproportionate attention to one man out of 20,000."

The decision by M and G Recovery Fund to back the merger means support has now come from holders of nearly 84 per cent of the shares. The offer has been extended to Wednesday.

Price Waterhouse, Carrington Viyella auditors, said the discovery of a stock discrepancy at one of the group's south-east companies had led to a £700,000 increase in the forecast 1982 loss. No other discrepancies have been found elsewhere in the group, they said.

Mr Joe Hyman, second largest shareholder in Carrington Viyella who has opposed the merger, described the increased loss as disquieting. Mr Fieldhouse said it was amazing it had not happened elsewhere in a group undergoing reorganisation.

Mild winter weather brings out the hot air

By Ray Dafter, Energy Editor

THE ENERGY supply industry is getting hot under the collar because it is just not cold enough.

Sales of oil, gas, coal and electricity have been depressed by the continuing economic recession and consumers' conservation efforts. Energy companies are complaining that even the weather is working against them.

British Gas reckons it is the warmest winter for 20 years. It estimates that above-average temperatures in the winter period to the end of December reduced demand by about 6 per cent against the corresponding period of 1981.

This has helped industrial users of gas which have agreed to have their supplies interrupted at times of peak demand. So far this winter there have been virtually no interruptions in supplies.

The Central Electricity Generating Board believes the warm weather has shaved at least 1 per cent from its power demand. Highest demand so far this month was on Thursday when 40,350 Giga watts (1GW = 1bn watts) of electricity was sent out. This compared with a peak of 42,597 GW on January 12 last year.

The electricity industry has been monitoring morning supplies to see whether BBC's breakfast television has made any impact on demand patterns. So far there has been no discernable increase in demand—just as the CEGB had expected.

Sometimes viewing habits affect electricity supplies. The ending of a particularly popular programme, for instance, can signal a quick burst in electricity demand as viewers move to other rooms, put on the kettle, switch on cookers and so forth.

Oil demand has been effected by the mild winter, not only in the UK but throughout the northern hemisphere. According to the International Energy Agency in Paris, non-communist world demand for crude oil is being lowered by between 300,000 and 500,000 barrels a day as a result of the warm winter. This represents a reduction of about 1 per cent on the already-depressed demand for oil.

Sproat will consider levy on video tapes to help film industry

BY KEVIN BROWN

THE GOVERNMENT is investigating whether a levy on the hire and purchase of pre-recorded video cassettes could help to fund the struggling British film industry, Mr Iain Sproat, the trade under-secretary, told the Commons yesterday.

A levy would be "very seriously considered" as part of the Trade Department's review into film industry financing. It would follow the precedent set by the Eady Levy, introduced just after the Second World War, under which a proportion of cinema receipts were diverted to film producers.

Cinema attendances had fallen so far that "we have to look to see whether the Eady Levy is indeed the best way of funding the film industry in the future," he said.

"I should make absolutely clear that I have neither decided to have such a levy nor decided not to have such a levy, but it is an idea we ought to consider."

Mr Sproat said there were difficulties in ensuring that the levy benefited only domestic film-makers.

"We certainly have to make sure that we do not find ourselves being taxed as purchasers of video cassettes or as cinema visitors in order that American film producers can sleep easily in their beds."

Mr Sproat's comments came during a debate on the Copyright (Amendment) Bill, a private member's Bill intended to clamp down on video pirates. The Bill was given a second reading.

The possibility of extracting a worthwhile levy from video cassette sales would be reduced greatly if video piracy were allowed to run rampant, Mr Sproat said.

Sir John Eden, Conservative MP for Bournemouth West, who is sponsoring the Bill, said pirate recordings cost the distributors £120m a year—"more than the entire takings in the legitimate market."

The Bill provides for fines of up to £1,000 or two months in prison for retailers of pirate tapes. It urges unlimited fines and two years in prison for manufacturers, importers and distributors of pirate tapes.

The present maximum fine for a first offence is £50.

Sir John's assertion that London is the principal centre for illicit copying was echoed by Mr Sproat, who made it clear that the Government backed the Bill with reservations about increased police powers to search premises and seize tapes.

These powers would be overtaken by the general provisions of the Police Bill now in its committee stage, he said.

Mr Sproat said the Government intended to reform the whole of copyright legislation as soon as possible.

Nissan still keen on UK car plant, Jenkin told

By Charles Smith in Tokyo

JAPAN'S NISSAN company is still "earnestly" studying the question of whether to build a car plant in Britain and—in spite of reports to the contrary—has definitely not dropped the project.

This message was delivered to Mr Patrick Jenkin, the Industry Minister, at a meeting yesterday with senior Nissan executives.

During the talks, Nissan cited uncertainties about the world car market as one of the main reasons for a delay in reaching a decision on the project, first publicly mooted nearly two years ago.

Mr Masataka Okuma, Nissan's executive vice-president, later told journalists that Nissan was satisfied with the British conditions on such issues as domestic content and the ratio of cars to be exported from Britain. "Disagreements with the British Government are not the reason for the company's inability to reach a final decision," Mr Okuma said.

Asked about reports that a decision was being held up by sharp differences of opinion within Nissan itself, Mr Okuma said that the company's top executives all believed Nissan should eventually manufacture cars in Europe and that the best place for this was Britain. He conceded, however, that Mr Takeshi Ishihara, Nissan's president, and Mr Katsuji Kamata, the chairman, differed over the timing of such a move.

Mr Okuma said he thought it was a "legend" that Britain suffered from bad labour relations. But he added that Nissan was concerned about the number of unions it might have to deal with in a UK plant and about machinery for wage negotiations. The company hoped it might be able to limit the number of unions to four.

At yesterday's meeting, the British side apparently made no attempt, either to set a deadline for the decision, or to suggest that delay could endanger Japan's share of the UK car market.

Optimism lifts cinema business

BY ARTHUR SANDLES

THE British film and cinema business is optimistic after a week in which the Government has rethought its attitude to film investment and the distributors of the film ET reported that UK box office receipts have passed £8m.

Mr Nicholas [illegible], Financial Secretary [illegible] to [illegible] of 100 per cent [illegible] allowances [illegible] has been shelved until 1987.

The allowances scheme was to have been replaced under the 1982 Finance Act by a system which allowed the cost of a film to be written off over its revenue producing life. This raised such protest when announced last year that the Government delayed introducing the scheme until 1984. This has now been extended to 1987.

With film investment widely regarded as more speculative than conventional capital spending the industry says it needs all the help it can get from the Treasury. This argument seems to have proved stronger than government concern over misuse of the first year write-off system.

While the move creates optimism on the production side of the British film business, news that the film ET has been seen by about 4m Britons is cheering the hard pressed exhibition side.

British cinemas had a bad time last year, but 1983 has opened with several successes. ET distributed by United International Pictures, has taken £8.2m in the UK since its opening on December 10.

Its success is echoed by Goldcrest's Ghandi, Fox's Return of the Soldier and the latest Sylvester Stalone picture, First Blood.

ET has overhauled Star Wars as the world's largest film money-maker.

Some film industry leaders think the British box office may follow the lead of the American cinema and have a revival in 1983. "There were so many factors which made 1982 a bad year," says Mr James Higgins, managing director of UIP (UK).

There was a lack of good products, partly because of the 1980 actors' strike in Hollywood. This year, he says, after ET there will be a new Bond picture, Superman III and another Star Wars sequel, the Revenge of the Jeddi.

Hard on the heels of Chariots of Fire and Ghandi, Goldcrest Films and Television is offering buyers at the forthcoming Manila film festival a shopping list of 10 pictures, including Brimstone and Treacle and The Far Pavilions.

Returning Soviet spy craft may not just vaporise

BY DAVID FISHLOCK, SCIENCE EDITOR

THE RIDERLESS Soviet spy satellite with a spent nuclear reactor on board, which is cartwheeling earthward in an ever-diminishing spiral, is expected to re-enter the Earth's atmosphere this weekend.

Friction with the air, steadily increasing as it nears the ground, will burn up the five-tonne Cosmos 1402 in the next week or two.

Unlike manned satellites, it carries no heat shields to protect its contents against the heat of re-entry.

The big query is whether all five tonnes will be vaporised to fall eventually on Earth as a fine dust or whether sizeable hunks of more temperature-resistant metals will survive.

Clean-up of radioactive debris from Cosmos 954, which made an unscheduled re-entry almost exactly five years ago, cost the Canadian Government about $6m, of which the Soviet Union repaid only half.

Neither satellite was intended to re-enter. Instead, on a signal from Earth, it should have been boosted from its surveillance orbit, 155 miles up, into a much higher "parking" orbit.

This is in effect a nuclear waste dump in space about 600 miles from the Earth's surface.

There it would stay, with a few dozen other Soviet and U.S. spacecraft with radioactive materials aboard, for hundreds of years, until the activity decayed to harmless levels.

One well-publicised hazard of spent nuclear fuel, plutonium, is absent from the Cosmos space reactor. This is fuelled with highly enriched uranium, a fuel not used in commercial reactors which yields only traces of plutonium as a byproduct.

The reactor has about 100 lb of uranium, a metal only weakly radioactive. The bigger problem is radioactive isotopes of such metals as strontium and caesium, produced when the reactor generates power.

The reactor's role was to provide a large output of electricity briefly to drive a radar scanning the oceans for ship and submarine movements.

Once the reactor's fuel is consumed, the satellite is useless and the Russians simply replace it with a new one.

They launched four last year, three in 1981. This suggests a lifespan of three months, compared with half this when Cosmos 942 came down in 1978.

Company wins court fight with Sweden

SWEDEN was ordered by a High Court judge yesterday to pay damages to a British company for work done on the former Junior Carlton Club in St James's Square, London, originally planned as the new Swedish Embassy.

Lord Justice Walton held that the Swedes unlawfully repudiated a contract they had with Corix Properties of St Helier, Jersey. Damages will be assessed at a later hearing.

The judge said that before refurbishment was completed, The Swedish government agreed to lease the premises.

Later the Swedish government said the premises were not being refurbished in the way they had expected. They found great difficulty in seeing how they could adapt them for use as an embassy and refused to complete the agreement.

Corix sued for wrongful repudiation; the Swedes counterclaimed that Corix had repudiated the agreement.

Lord Justice Walton entered judgment for the building company, dismissed the Swedish counterclaim and ordered them to pay the action's substantial costs.

Chemical plant closure will cost 80 jobs

By Carla Rapoport

ABOUT 80 jobs will be lost with the closure of an East London factory by Albright & Wilson, the UK-based chemical company.

The factory, built in 1844, makes chemicals used in the agrochemical and pharmaceutical industries. Some manufacturing operations will be transferred to the company's Oldbury site, near Birmingham.

Albright, a subsidiary of Tenneco, the U.S. conglomerate, blames the closure on declining sales and profitability. Mr George James, managing director of the phosphates division, says that the shut-down should save the company about £1m.

The closure of the Canning Road factory will take two years to complete. The company will transfer some jobs to Oldbury and give assistance with relocation costs.

● A. H. Marks & Company, a chemical company based in Yorkshire, has bought back a minority shareholding owned by Union Carbide, the U.S. chemical group. Marks is privately owned with about 400 employees. It makes agrochemicals and chemicals for the pharmaceutical and lithographic industries.

Marks has also signed long-term sales and technology agreements with Union Carbide.

Publishers set out to beat book piracy

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE UK publishing industry is trying to *raise £100,000 to* finance an attack on the growlem and to mount local legal

The fund would be used to employ agents in parts of the world where imitation of British books is a particular problem and to amount local legal action.

Book piracy is regarded by the publishing industry as a serious organised crime worth about £500m a year. Between 10 and 20 per cent of the world-wide piracy problem is believed to involve UK books.

The problem appeared to be confined to the imitation of UK books—notably in the Far East—for local sale. Recently there have been cases of pirate books being exported from the Far East to third countries.

The attack on piracy is one of a series of initiatives by the Publishers Association to tackle *problems confronting* the industry. An all-party parliamentary group has been formed at Westminster to support the publishers' interests.

One of the major problems in recent years has been the the severe drop in book purchases for schools, universities and public libraries. The association will publish figures next week showing the impact of public spending policies on educational book purchases.

A report by the National Book League says little is being done to remedy the effects of recent spending cuts. "The decline in expenditure on books in academic libraries is intensifying."

Library resources for higher education and training have been cut to dangerously low *levels, says the report.*

"Moreover, a large proportion of the books and journals concerned come from a major exporting British industry—publishing. When its home market base of university and college libraries is so rapidly eroded, its export business is threatened."

Renton appointed as Howe aide

MR TIM RENTON, MP for mid-Sussex, has been appointed Parliamentary Private Secretary to Sir Geoffrey Howe, Chancellor of the Exchequer. Mr Renton, 50, is president of the Conservative trade union organisation and chairman of the Conservative Party employment committee.

Energy demand 'may stay low'

By a Special Correspondent

ELECTRICITY demand in the year 2000 may remain below the level reached before the present recession unless the UK conomy recovers to rates of growth similar to those of the 1950s and 1960s, an economist told the Sizewell B inquiry, at Snape, Suffolk, yesterday.

Mr Charles Davies, head of the Central Electricity Generating Board's economic policy section, said that nevertheless electricity demand was expected to show some growth.

This would be because of favourable technological developments and electricity's growing competitiveness compared with other sources of power.

Minister rejects claims on biased electricity tariff

BY RAY DAFTER, ENERGY EDITOR

LORD AVON, the new junior energy minister, has dismissed industrialists' claims that the electricity tariff structure is biased against intensive power users.

The Government's studies had not substantiated these claims, he told the Lords. Intensive users already paid up to 40 per cent less per unit than average consumers.

Lord Avon, Parliamentary Under-Secretary for Energy, said it was true that UK prices were towards the top end of the European range for those few consumers whose electricity demand was virtually constant over the year and who therefore had a load factor of 80 per cent or more.

"But it would be wrong to put excessive weight on this," he said. Only about 2 per cent of consumers were in this category. The figures were not relevant to the "large majority" of intensive electricity users who necessarily operated at much lower load factors.

Lord Avon said that international price comparisons were clouded by currency fluctuations. For much of last year sterling was relatively strong so overseas prices when converted into pence per unit appeared lower than those in the UK.

European commitment to small companies

A COMMITMENT to give small and medium-sized enterprises greater priority in European Community policy was made yesterday at a meeting in Brussels.

Delegates from all member states at a conference to inaugurate the 1983 European Year of Small and Medium-Sized Enterprises agreed that existing sources of community finance such as loans made through the European Investment Bank, the European Coal and Steel Community and the European Regional Development Fund should be expanded.

However, the general feeling of small companies representatives and Commission officials was that a Community policy should not be too specific. This was to avoid duplication with measures already operating through national governments in member states and because it was felt that programmes should be directed largely to local needs.

Puzzling over what went right—unexpectedly—with inflation

Max Wilkinson looks at why Treasury forecasters should not be too unhappy with wrong predictions

IF TREASURY officials ever slap each other on the back for their mistakes, yesterday's publication of last year's final inflation rate figure would be a good opportunity to do so.

The annual rate of 5.4 per cent for December compares with the Treasury's Budget forecast of an inflation rate of about 9 per cent in last year's quarter.

The Treasury was not alone in underestimating the rate at which inflation would fall last year. The average prediction of 14 forecasting units summarised in the FT in July was that the year-end inflation rate would be just below 9 per cent.

Not one of the 14 forecasters managed to get within 1½ percentage points of predicting a 6 per cent inflation rate for the end of last year.

What went right unexpectedly? Several factors contributed including:

● A substantial weakening of seasonal food prices which were lower at the end of last year than 12 months earlier.

● The continued weakness of the UK and world economies which forced manufacturers and retailers to keep profit margins as narrow as possible.

● The fast reduction in world commodity prices which were 10 per cent lower at the end of last year than 12 months earlier, with the general weakening of oil prices.

● The general reduction of consumer price inflation in most developed countries.

● A deceleration in the rate of increase of average earnings.

Although earnings were rising at an annual rate of 8½ per cent in November, more than two percentage points faster than the inflation rate, the trend of wage settlements was still downwards.

By June, when the inflation rate had fallen to 9.2 per cent from 12 per cent at the beginning of the year, it was clear that these factors would bring down the rate fast. This enabled interest rates to fall and the associated drop in the mortgage rate contributed to the lower inflation rate figures by the end of the year.

The trend was helped by the fact that a year earlier prices had been rising at a slightly accelerating rate as the effects of the earlier depreciation of sterling worked through into higher import prices.

Therefore, relatively stable prices last autumn were compared with prices which had been rising steadily 12 months earlier, and the effect was to bring down the annual rate of inflation quite sharply.

Even without this statistical help, the record last year has been remarkable. In four of 12 months the retail price index did not rise at all and in September it fell slightly.

For the current year, most forecasters expect only a weak UK and world economic recovery. So, there is little reason to expect a major renewal of inflationary pressures. This was the main thinking behind the Treasury's November forecast that the inflation rate would fall to about 5 per cent at the beginning of this year and would be about the same at the end of the year.

Other commentators suggested the rate could fall perhaps to as little as 4 per cent in the intervening period. This will depend to some extent on the Budget. In April, last year, the retail price index rose 2 per cent, reflecting the increase of excise duties in line with the current inflation rate.

This year the Chancellor will have the option of raising duties by less than the rate of inflation if he wants to hold down the RPI after the Budget. However, even if he decides to raise the rates in line with inflation, this would only be about 6 per cent compared, for example, with a 12 per cent rise on wine and beer duties last year.

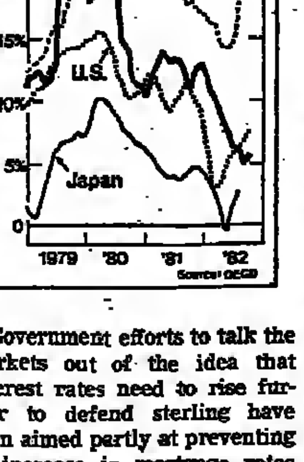
Price increases stemming from the Budget are almost certain, to be less than in the previous year. This could lead to a sharp drop in the annual rate of inflation in April.

Against this the Government has to balance the effects of the 12 per cent depreciation in sterling since November. This will tend to raise the sterling price of imports and feed through into shop prices.

On past form, every 1 per cent devaluation of sterling could be expected to lead to an increase of ¼ to ½ per cent in prices in the course of about a year or more. The most recent depreciation might therefore be expected to add about 3 per cent to the inflation rate by the end of the year compared with the Treasury's previous expectations.

However, Sir Geoffrey Howe, the Chancellor, last week emphasised several factors which the Treasury believes will mitigate the rise. These include the relatively good margins on many imported goods, which may persuade importers to hold prices unchanged at the expense of profits, and the continued weakness of commodity prices including oil.

CONSUMER PRICES



Government efforts to talk the markets out of the idea that interest rates need to rise further to defend sterling have been aimed partly at preventing an increase in mortgage rates which would have a direct adverse effect on the RPI.

The most important factor is the behaviour of wages. Improvements in productivity have held increase in labour costs per unit of output to about 5 per cent, only about half the rate of increase in earnings for much of this year. However, after a big spurt in 1981, productivity rose by only about 3 per cent last year and there are double whether the faster recent gains will be maintained.

Containing price rises rests on the ability of the Government and employers to keep down wage increases.

However, the depreciation of sterling and other factors will lead to some price rises in the summer and autumn. These will be compared with an almost flat trend last year, so that the annual inflation rate will start to move up again, perhaps sharply if economic recovery gathers pace.

There is a risk that the markets and wage bargainers will take fright, but the Government will be hoping that there will be no reason for this—at least until the early summer when the bulk of the 1982 wage round will be over.

Container boost for Felixstowe

FELIXSTOWE, one of the fastest growing and most profitable ports, boosted container traffic by about a fifth last year.

The Suffolk port, owned by European Ferries, is spending £1.5m to deepen one of its terminals to accommodate larger container ships.

The water deepening is to take place at the Dooley terminal, opened in 1981. The water depth will be increased by six feet to 38 feet. Work is expected to be completed by July.

UK NEWS—LABOUR

TV-AM presses on in spite of adverts row

BY DAVID GOODHART, LABOUR STAFF

THE BOARD of TV-AM, the commercial breakfast TV station, yesterday decided to "go ahead wholeheartedly" with its plans for the new service due to be launched on February 1.

The company has sent an "action plan" to advertisers detailing the various types of advertisement that can be screened without falling foul of the dispute between the actors' union, Equity, and the Institute of Practitioners in Advertising — the body representing advertising agencies.

TV-AM said last night that the advertising slots were fully booked for the first two weeks of about 55 per cent of those advertisements could be screened in spite of the row over the payment of repeat fees to actors which has also hit Channel Four.

Advertisements that can still be screened on TV-AM or Channel Four include those involving no Equity members, children, people appearing as themselves, or instrumental musicians.

TV-AM will also be proposing to the Independent Broadcasting Authority on Monday that the six minutes to the hour advertising ratio could be made more elastic to allow the station to make up lost revenue when the dispute is settled.

Mr Peter Jay, chairman of TV-AM, has repeatedly warned that unless a speedy resolution can be found to the dispute the station will not survive longer than a few weeks.

There was no sign last night of any compromise emerging between Equity and the IPA. The IPA wants to relate the payment of repeat fees for advertisements on Channel Four and TV-AM to audience size. It says that advertisers will not pay the main network rates for the two new channels when they are only reaching one-seventh of the main network audience.

The IPA's suggestion of binding arbitration by Acas has been rejected by Equity which has proposed that actors should be paid 50 per cent of the main network repeat fee.

TV-AM spent over £10m on start-up costs and expects to spend about £15m a year with advertising revenue of £20m a year. TV-AM's backers include Barclays Merchant Bank, the Robert Stigwood Group, Eastern Counties Newspapers and Octopus Publishing Group.

Peter Jay said yesterday that the investors "were with us all the way."

South-east drivers reject new offer

BY BRIAN GROOM, LABOUR STAFF

AN IMPROVED pay offer aimed at averting a lorry drivers' strike threatened in London and the South-East from January 31 was immediately rejected last night by Mr Ron Connolly, regional officer of the Transport and General Workers' Union.

The Road Haulage Association sent Mr Connolly a telex raising its offer to 4.6 per cent from 3.45 per cent. The new offer would give a 40-hour basic rate of £91 a week for the top category of drivers, which in effect becomes £103 with five hours' guaranteed overtime.

Mr Connolly said he would reply that the offer was insufficient, and complain about the RHA's "arrogance" in putting it forward by telex without the opportunity for negotiations.

The South-Eastern drivers are continuing to press for the recalling of the TGWU's national conference of road haulage negotiators, even though settlements or recommendations for acceptance have been reached in six of the industry's 21 regional negotiations. The deals range from 3.3 to 5.7 per cent.

Mr Connolly said that if the South-Eastern strike went ahead, drivers from other areas would become involved when they made deliveries to the area.

Food shop workers win 8% rise

BY OUR LABOUR STAFF

OVER 500,000 shop workers covered by the Retail Food Wages Council will receive an 8 per cent pay rise from next April.

The rise, which takes basic rates for an adult shop assistant from £62 to £67 a week, will be ratified at a meeting of the Council next month.

The rise is almost identical to that recommended for the 650,000 workers covered by the Retail Non-Food Wages Council two weeks ago. In the case of both recommendations the independent members of the Councils have sided with the employees to push through a settlement—with the employers abstaining.

The employers on the Retail Food Council were only prepared to offer rises of £4 a week.

The £5-a-week rise will take shop assistants pay in London from £64.50 to £69.50. Juvenile shop staff will get an 8 per cent rise on the present rates of £39.05 for those under 17, £44.75 for 17-18 year olds and £52.45 for 18-19 year olds.

Employment secretary faces more protests

BY JOHN LLOYD

MR. NORMAN Tebbit, the Employment Secretary, faced another demonstration yesterday—but later said he wanted to see workers receive more pay.

About 20 protestors chanted and waved banners saying "on your bike" as he visited the Leicester Information Technology Centre, which offers computer skills to young people. Mr Tebbit was barred from a shopfloor visit of Jaguar cars on Thursday after workers at the Coventry plant had protested over his visit.

At a press conference, Mr Tebbit urged union leaders to "have a change of heart" and agree to discuss his plans for union reform.

Later, he told industrialists in Telford, near Birmingham, that his aim was to see the British worker "produce more than his German or American competitor and get paid more than his German or American competitor."

Improved holiday pay for gas men

TALKS BETWEEN the Gas Corporation and unions yesterday resulted in an improved offer on holiday pay—but the Corporation's offer of just under 4 per cent on basic pay was not raised.

Mr John Edmonds, national energy officer of the General Municipal Boilermakers and Allied Trades Union said "I am encouraged we are getting holiday pay sorted out and we are hopeful we will have a new pay offer at the next meeting." The ...

Craftsmen's offer

UNIONS organising some 67,000 craftsmen and labourers in local authorities have been offered a 4.5 per cent rise on the pay bill, in line with the settlement earlier this month for 1m council manual workers. The unions are expected to respond within the next few weeks.

The rise would bring basic rates for labourers up £3.25 to £78.70, craftsmen up £3.75 to £91.65 and plumbers up £4.00 to £98.35.

Cohse call

MR ALBERT SPANSWICK, general secretary of the Confederation of Health Service Employees, has urged the Government to publish its proposals for long-term pay arrangements in the national health service "as a matter of urgency." A pledge to review long term pay was part of the recent settlement in the NHS.

Mr Spanswick says in a letter to Mr Norman Fowler, the Social Services Secretary, that the review must cover all nursing staff, qualified and unqualified. "The longer the Government delays, the less likely it is that the arrangements will be in force by April 1984."

Sailings resume

THE container group Compac has resumed sailings from the Mersey after an absence of two years, following assurances from shop stewards of all waterfront groups in the Port of Liverpool that any future industrial dispute ...

THE WEEK IN THE MARKETS

The City takes a breather

LONDON

ONLOOKER

After last week's stormy ride in the financial markets a sense of relative calm—if an uneasy one—settled across the City. If anyone was left in any doubt as to the Government's thoughts on sterling and interest rates Sir Geoffrey Howe made his ideas crystal clear in Wednesday's Commons' economics debate. Should sterling come under pressure the exchange rate was likely to be let slip rather than domestic interest rates be pushed still higher in defence. However the Chancellor's remarks that speculators against sterling might regret their actions somehow failed to spread panic in the dealing rooms.

As for equities the week had one outstanding ingredient flowing through it. The analysts kept getting their figures wrong. Nobody gets it right all the time but the City collectively misjudged the profits of majors like Racal, Davy and Tate & Lyle. Perhaps the numbers game is getting progressively more complicated or are those rules on insider information weakening the City's traditional flow of well informed news?

Racal revised

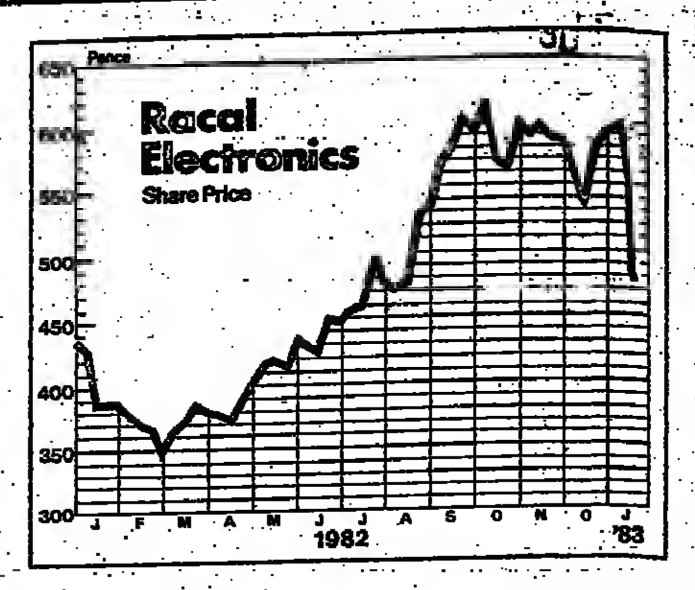
It was Racal's turn in the electricals sector to watch its share price droop this week. While other high-flying electronic stocks had seen their ratings knocked by cautious trading statements, until Wednesday Racal had kept its spot as the market's darling, helped with a steady flow of news releases on fresh orders.

Yet the promise of swelling order books into the 1990s could not keep the market's attention off this week's disappointing interim figures and a cautiously pitched statement about second-half prospects. As soon as the news flashed up on the screens Wednesday morning, Racal's share price went sharply into reverse, losing 62p to 485p on the day.

In fairness, a 22 per cent advance in pre-tax profits to £47m during the half-year to mid-October can hardly be described as pedestrian. But it was not as good as the market was looking for, and the accompanying statement was particularly cautious. Racal's data communications business is coming under increasing international competition and margins are again under pressure in modems—devices that enable computers to communicate via the telephone system.

There are also delays to major overseas contracts for tactical radios, especially where Opec countries are holding back because of their own problems. Racal's strategic radio business is facing the same kinds of difficulties, and if anything its performance is more disappointing than that of the tactical side.

Sales for the full twelve months will probably come out around £750m—£65m short of earlier internal budgets. Profits growth during the closing six months will lag behind that of the interim period and with a build up of stocks in its warehouse Racal may have to resort to bank borrowing by the year-end. Even with a weaker pound to help translation, forecasts of £130m pre-tax for the year, which had been kicking around the market ahead of this week's figures, now look hopelessly beyond Racal's grasp.



Davy's lamp dims

If Racal disappointed the market, Davy Corporation's results turned out to be a real shock. Its half year pre-tax profits collapsed by 53 per cent to £3.08m, while below-the-line items pushed attributable earnings well into the red and the dividend was cut in half. And worse, the analysts' forecasts that Davy would make £16m this year were left high and dry by the company's own prediction that the second half would look similar to the first.

The market took fright. Davy's share price had been drifting downwards ever since the 140p a share rights issue a year ago and by Thursday morning it was languishing at 50p. But one look at the interim statement and Davy's market capitalisation was savaged.

In just a few trading hours the group's market worth was cut by a quarter to a level not far above the net cash in the group's balance sheet. Some shareholders no doubt rue the day that the Monopolies Commission stamped out the attempted bid by Enserch Corporation.

So what has gone so desperately wrong at Davy? The new chairman, Mr Peter Benson, says there has been a dramatic fall in new orders, particularly in the U.S. since early in 1982. New orders during the six months to last September amounted to just £100m and that probably only made good the level of cancellations. So the order book, which started the year at £2bn, is being steadily reduced by the level of turnover—£386m in the first half. A couple of big deals could make all the difference, but meantime the shares rest heavily on a 9 per cent yield.

Beet and Cane

Weight watchers may wish to stop at this point but for those who can contemplate mountains of sugar without shuddering it has been quite a week. Both Tate and Lyle and S. and W. Berisford, the commodity trader which won control of British Sugar last summer, have released full year figures.

Reported profits from Berisford were up from £40.8m to £54.7m but its new subsidiary has made all the running. On a sugar free account the original Berisford group saw profits slip by around £2m to £35m.

However the purchase of BSC shouldered the group with a huge weight of debt. Shareholders' funds of about £310m are propping up borrowings of £450m and seasonal working capital requirements could shoot that figure up to £700m by March. The sale of a City property and disposal of the Ranks Hovis stake could slip £60m or so into the bank account but that is not going to transform balance sheet ratios. Berisford may be used to living with high gearing but it might yet be tempted to refinance its BSC purchase with an equity issue.

Meantime Tate and Lyle has been able to return a couple of pot shots at its critics. A strong second half left the full year profit £3.8m ahead at £40.1m while the dividend has been more than fully restored. And the balance sheet is in good enough form for the directors to think in terms of acquisitions.

At the trading line the main feature is the £8.2m lead in UK refining profits. That may not seem a particularly outstanding achievement given the help of a full year without the Liverpool refinery but it is solid enough to think that T and L can be restored to grace in the City after the traumas of the seventies.

The group can also scotch the old criticism about its quality of earnings—sugar trading accounted for less than a tenth of profits last year.

THF turns trumps

The tide has turned for Trusthouse Forte. Thanks to a sharp advance from its London hotels THF has pushed up its full year profits from £52.3m to £57.1m. Perhaps Lord Forte's only regret is that he has not added the Savoy to his American tourist collecting net. But he is not giving up yet. With 65 per cent of the Savoy's shares, but only 40 per cent of the votes, Lord Forte comments that he is prepared "to wait indefinitely until the directors and the chairman of the Savoy approach us in due course about the management." The Savoy directors are no doubt harbouring different views; stalemate for the present.

Meanwhile, although the London Hotels have been the star turn, THF's other British operations have also been pressing forward. The catering division is up by 20 per cent while provincial hotels managed to hold occupancy rates and push through an 8 per cent tariff increase. Overseas life is still tough going, especially in the States. Even so the shares gained a fresh aura of confidence this week, on the view that THF is in shape to march forward in 1983.

MARKET HIGHLIGHTS OF THE WEEK

	y'day Price	on week Change	High 1982/3	Low 1982/3	
Ind. Ord. Index	619.4	+ 5.2	637.4	518.1	Steadier £/2nd-liners active
Associated Tooling	115	+33	122	53	Speculative demand
Austin (E.)	36	+13	53	16	Bid approach
BAT Inds.	700	+41	709	343	Broker's circular
BP	332	+14	340	258	Buying ahead of Opec meeting
Carr Boyd	52	+19	52	10	Rumoured gold find
Davy Corpn.	54	−24	180	54	Disappointing interim statement
French (T.)	135	+30	135	95	Chairman's optimism
Lon. and Liverpool Tst.	452	+115	483	39	Persistent demand
Mellins	181	+47	186	6	Speculative demand
Microgen	380	+190†	388	330	USM debut
Mountleigh	145	+32	150	63	Board's confident statement
Racal Electronics	476	−59	617	347	Poor interim statement
SGB	196	−34	254	134	Disappointing results
Scott and Robertson	47	+14½	47	19	Acquisition news
Sykes (H.)	36	+11	37	21	Bid from Alco Standard
Tate and Lyle	270	+38	370	158	Increased profits and dividend
Ultramar	577	+59	580	335	Persistent demand
West Rand Cons.	440	+61	487	52	Encouraging quarterly report

† Based on placing price of 190p

NEW YORK

RICHARD LAMBERT

TWO RELATED themes have been evident on Wall Street this week. In spite of the fall in consumer prices during December, the prospects for inflation are once again becoming a major preoccupation for investors. At the same time, many big industrial companies are now saying that after a dreadful final three months in 1982, business conditions are beginning to improve.

Until yesterday morning, share and bond prices had shown no decisive movements for a couple of weeks, but the price of gold—a good barometer of inflationary fears—had been moving ahead smartly, climbing above $500 an ounce at one point. Other commodity prices have been pushing up too, and this week even the badly battered steel companies have announced price increases. No one takes them very seriously, but they have not actually been laughed out of court as they might have been a couple of months ago.

The concern about inflation stems from the threat that an economic recovery could collide with a fiscally imprudent administration with re-election on its mind. As Mr Paul Volcker, chairman of the Federal Reserve Board, warned again on Thursday, "there are limits to the process of credit and money creation.

"Meaningful action to demonstrate the Government's economic discipline on the fiscal side would reduce concern about future inflation and interest rates."

The Administration's big chance to show the financial markets that it is in control of its affairs comes next week, with the State of the Union message and the President's budget proposals for fiscal 1984. In the present uneasy mood of the markets, these two events could have a major impact on short-term movements in equity and bond prices.

Meanwhile, the quarterly reporting season is getting into full swing, and some positive indications are beginning to show through in some important sectors of the economy. The Forest Product Companies, for instance, had a very bad time towards the end of 1982. Weyerhaeuser says that lumber and plywood prices have strengthened significantly in the past few weeks.

The motor manufacturers have yet to produce their 1982 results. General Motors, Ford and Chrysler are all likely to show operating losses for the final period before taking account of tax credits and income from non-manufacturing activities. Here again there are hopes of better things.

The oil companies, too, are likely to come in with poor figures for the closing months of last year, and the opening months of 1983 will probably not be much fun either.

Capital goods companies are still going through the fire: Caterpillar Tractor is now making losses, and Acme-Cleveland, the machine tool specialist, says there are no signs of a decent recovery. Sperry Corporation states that its information-processing business is beginning to look a lot more robust, and from out on the West Coast there are indications that the semi-conductor business may be approaching better times.

What all this boils down to is the fact that the profits recovery which the market has been "discounting" for some months is now getting under way. The short-term outlook is likely to be unsettled by events in Washington. Thereafter, the bond market will continue to dance to Washington's tune, but there are still plenty of investors who believe that the bull market in equities is by no means over.

Monday	1,084.81	+ 3.96
Tuesday	1,079.65	− 5.16
Wednesday	1,068.06	−11.59
Thursday	1,070.82	+ 2.76

Seeking a way through the maze

MINING

GEORGE MILLING STANLEY

NO VISIT to the palace at Hampton Court is complete without a stroll around the grounds, complete with the world-famous maze.

This, as anyone who has been there will confirm, is composed of impenetrable hedges, and losing one's way is virtually guaranteed.

To the mining analyst, the parallel between Hampton Court's maze and the quarterly reports produced by the South African gold mines is clear.

These reports are, of course, invaluable to anyone interested in gold producers, but finding a way through the maze of statistical material provided is always a somewhat daunting task.

The maze has been made even more impenetrable with the last couple of sets of quarterlies by the addition of another sort of "hedge." This arises from the permission given by the Reserve Bank of South Africa to the gold mines to protect themselves by hedging transactions.

This is obviously a good thing in that it has allowed at least four mines, Western Areas in the Johannesburg Consolidated Investment group and the General Mining Union Corporation (Gencor) group's West Rand Consolidated, Bracken and Marievale, to stay open during last year's slump in the bullion price, and without cost to either the parent groups or the state assistance scheme.

However, the hedging transactions, and more particularly the accounting treatment adopted for any profits or losses arising from them, have caused considerable distortions in the results, and made comparisons of performance more difficult.

There have always been minor discrepancies between the average gold prices received by the individual mines, these being largely a matter of the timing of deliveries to the refinery.

The accounting policy adopted by the managements of the mining finance houses in conclave in Johannesburg some months ago, however, involving taking any credits or debits on hedging into the period in which the deals are closed out, makes this problem much more acute.

How, for example, is one to make a meaningful comparison of the relative performance of West Rand Consolidated, which reported an average price received of $486 an ounce, and Marievale and Bracken, which showed gold prices over the same period of $402 and $407?

Beyond that, it is not entirely unknown for the odd error to creep into the quarterly reports, and this has become much more difficult to detect.

Even insiders are hit by this, as evidenced by the admission from Western Areas at the time of publication of the December report that it had erred by almost $20 three months before in its statement of the gold price received.

The recent strength in the gold price, by taking some of the pressure off the older, high-cost mines, means that the problem will not be so acute in the near future.

Many of the mines took little or no part in the futures markets in the December quarter, and most of those with open positions have said they will close them during the current three months.

The only mine known for certain to be committed to a continuing involvement in the futures markets is Western Areas.

But the problem is bound to return when the gold price falls to within range of the mines' break-even prices, as it surely will one day. The mining houses should take another look at their accounting policies before then.

GOLD MINE DIVIDENDS

	Dec 1982	June 1982	Dec 1981	June 1981
Blyvoor	*115	90	*100	100
Buffels	*260	280	*260	400
Deelkr'l	nil	*nil	nil	*nil
D'font.	*80	120	*80	200
Driefont.	*105	135	100	—
Durban D	nil	*nil	100	*85
ER Prop.	nil	*nil	nil	*50
Elandsr'd	15	nil	nil	nil
Elsburg	6.5	*nil	13	*13
Gr'tvlei	30	*36	78	*69
Hartebst.	*300	275	*375	525
Kloof	*130	150	*120	240
Libanon	*110	140	*80	200
Randft.	800	*300	400	*350
†St. Helena	280	*145	145	—
SA Land	40	*35	25	*15
S'tfvaal	210	*120	195	*160
Stilfont.	150	*100	180	*130
Vaal Rfs.	600	*350	530	*450
Venters.	*60	55	*135	135
Vlakfont	*15	20	*15	10
W. Areas	10	*nil	20	*20
W. Deep	260	*135	205	*200
W. R. Cns.	20	*nil	10	*5
Zandpan	*50	47	*63	89

† Previous dividends declared March/Sept.

* Denotes interim.

GOLD MINE NET PROFITS

	December quarter R000s	September quarter R000s	June quarter R000s	March quarter R000s
Blyvooruitzicht§	22,600	19,942	14,233	13,824
Bracken	1,535	2,567	1,516	1,222
Buffelsfontein§	29,901	24,383	23,880	12,799
Deelkraal	11,339	8,801	3,888	2,684
Doornfontein	14,584	11,482	12,450	11,156
Driefontein	109,845	86,280	122,798	76,485
Durban Deep	†6,756	†4,717	†3,934	2,566
Ergo	13,592	20,316	12,820	13,354
East Rand Pty	†7,739	†6,140	†3,447	*6,791
East Transvaal	3,927	2,487	2,915	1,163
Elandsrand	23,590	19,342	5,574	*429
FS Geduld§	23,946	43,991	23,904	36,189
Grootvlei	10,206	6,749	4,813	4,043
Harmony§	30,773	22,590	27,320	21,723
Hartebeest§	33,820	33,082	34,202	11,998
Kinross	14,317	15,198	8,513	6,927
Kloof	41,721	34,480	28,974	28,138
Leslie	2,443	3,215	1,560	1,522
Libanon	16,647	14,005	10,573	11,190
Loraine	4,034	‡916	†8,369	†3,012
Marievale	75‡	556	221	157
President Brand§	24,224	34,894	22,023	27,486
President Steyn§	29,515	28,632	21,881	19,661
Randfontein	67,906	40,204	28,724	29,810
St Helena	37,322	29,431	22,159	23,518
South African Land	1,823	1,320	1,383	1,457
Stilfontein	13,257	9,178	9,770	6,433
Unisel	9,180	9,370	6,691	6,024
Vaal Reefs	109,818	71,771	69,844	54,795
Venterspost	4,771	3,805	†2,878	†3,170
Village Main	132	155	*170	*42
Vlakfontein	650	695	404	487
West Rand Consolidtd.	‡3,124	†3,258	*†197	*†1,436
Western Areas	19,419	8,720	861	*2,090
Western Deep	57,477	61,885	46,032	39,122
Western Holdings§	33,807	53,203	28,980	37,615
Winkelhaak	12,637	13,726	10,598	9,849

* Loss. † After receipt of State aid. ‡ After repayment of State aid. § March quarter tax charge contains retrospective payments for the preceding current financial year relating to the increase in ...

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YOUR SAVINGS AND INVESTMENTS—1

The rise of Audrey Head . . . by Rosemary Burr

Unit trusts' top lady

Audrey Head

FOR SOMEONE who once admitted she did not like public speaking Audrey Head has had more than her fair share of publicity and her appointment as chairman-elect of the Unit Trust Association has pushed her firmly under the spotlight.

She admits to being excited and not a little nervous at the prospect. Although she was keen to take on the post, she says she did not really think her peers would opt for a woman. In the event, her appointment has been well-received and one unit trust chief went "beyond the call of duty" she says and sent her a spray of flowers.

Audrey Head says she is not a women's libber and has fought off any suggestion that her title should be "chairwoman" or "chairperson." Her career is a fine example of how a woman with ambition can make her way up the executive ladder in what is essentially a male world. In 19 years, Audrey Head rose from a secretarial job to managing director of Hill Samuel Unit Trust Managers which then had £100m under management.

That was back in 1976 and since then she has been an active spokesman for the unit trust industry and a diligent committee member for the Unit Trust Association.

She takes over the chairmanship of the UTA from Mark St Giles in April for a two-year term. She expects the position will take up about two days a week of her time but with the growth in regulation of the savings industry each successive UTA chairman seems to spend a higher proportion of time on industry business than his or her predecessor.

Her first task will be to establish formal contact—with the people who count, most of whom she has already met over City luncheon tables. St Giles, the outgoing chairman, is arranging a series of lunches to introduce her to such bodies as the Association of Investment Trust Companies, the Stock Exchange and the Department of Trade.

Her term should be a busy one. The new rules on licensed dealers in securities which were due to be introduced in the New Year have been delayed to take account of criticisms from the City but when they come into force there is bound to be a period of adjustment as sellers of unit trusts will need to be licensed for the first time.

Audrey Head will continue St Giles' fight for blanket exemption from the need to get a licence for intermediaries who are members of Nasdim—The National Association of Security Dealers and Investment Managers.

St Giles has expressed fears in the past that the commission war among insurance companies might spill over into the unit trust industry but Audrey Head feels it is too early to tell. She shares with St Giles the view that if unit trust groups felt obliged to increase commissions to maintain market share the UTA should relax its rules to allow this rather than witness the break-up of the association.

The other main topic likely to occupy her mind during her two year tenure will be Professor Gower's report on how to regulate the savings industry. She thinks eventually the rules governing selling of unit trusts will be brought into line with those for insurance products.

More of the same, seems to be her UTA motto. She hopes to improve the unit trust industry's image further, and says it is surprising how many intelligent people with well-paid jobs do not even know what a unit trust is, let alone invest in one.

She is also keen to rid the industry's literature of gobbledegook and can be expected to cast an eagle eye over unit trust advertising. The proposed introduction of a star rating system to reflect the risks of trusts has been killed, she says with obvious relief.

She also accepts the contention that there are probably too many unit trusts and that this very diversity may actually put off some investors. However, she expects individual unit trust groups will sort out their own stable of funds in their own good time perhaps amalgamating some of the smaller fry.

While no one can clearly foresee what issues Audrey Head will face over the next two years, one thing is certain—she will get plenty of practice at public speaking.

Backing Tokyo

THE ATTRACTIONS of the Tokyo stock market, which were never greatly reduced in the eyes of UK fund managers by last autumn's weakness in the yen, are riding high again now that the currency has regained ground. But instead of stressing Japan's glittering past economic record, investment advisers now tend to draw attention to the country's prospects of benefiting from any recovery in the economies of Japan's major customers.

The size of Japan's home market—only 13 per cent or so of gross domestic product goes for export—has always strengthened the country's appeal as a bastion of resistance to world recessionary trends. But now, with U.S. interest rates moving down, fund managers are switching their attention back to Japan's export prospects. More than half of Japan's overseas sales go to the U.S., and recovery in U.S. demand for motor-cars and other consumer products would quickly feed through to the Tokyo stock market.

UK fund managers were among the first to respond to the exciting growth of the Japanese economy in the 1960s and 1970s, and there are plenty of trusts with track records of 10 years or more behind them.

But the performance of the Tokyo market after the oil crisis has revealed one significant complication for unit trust investors. As one leading manager puts it: "Investors in funds invested in Japan must make two decisions. They are taking a view on the yen and they are taking a view of the Tokyo stock market which is strongly influenced by the yen."

This vulnerability of the stock market to developments in the currency was reflected last year in falls in unit trust prices when weakness in the yen brought immediate declines in the stock market.

For those attracted by Tokyo's prospects as a growth market in the coming year, a new unit trust is announced this week by Henderson—the Henderson Japan Special Situations Trust. Henderson already has its £60m Henderson Japan Fund in place, but the new fund will concentrate on special situations among the smaller companies, with the stress on computer software and biotechnology.

In other words, the accent is strongly on capital appreciation and not on income: a starting gross yield of only 0.1 per cent is estimated.

Although the fund will concentrate on small companies, only quoted securities will be bought—at least initially.

The new Henderson fund will be managed, like the existing one, out of the Tokyo and Hong Kong offices of Henderson Baring Management, equally owned by Henderson and Baring. This on-the-gound management experience is the rationale behind an annual management charge of 1¼ per cent, which seems slightly on the high side. A rapid survey of similar funds last week indicated that charges elsewhere are in the process of rising from ¾ per cent to 1 per cent.

Others in the field include S & P Japan Growth fund which after ten years' existence is valued at £43m, with the units now priced at 163p compared with 70p originally.

M & G Japan Fund, in the business since 1971 and now valued at £22m, has one of the best track records. Concentration on the high technology leaders has lifted the units from an original 71p to 213p last week.

However, with the Tokyo market just under its peak levels already, investors in these unit trusts are in effect going in at the top. They are assuming that the yen will recover the poise so suddenly disturbed over the past fortnight, and that the U.S. economy will turn sharply higher this year. Neither can be taken for granted.

Terry Byland

Liability and a highway

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

When my house was erected, a planning condition required me to provide a standing bay outside my forecourt wall. There is no pavement on this side of the road, and I had this standing bay made up with tarmacadam for the full width of the frontage, up to the highway (carriageway) edge—depth of approximately 10 ft. This increases the width of the road for motorists who wish to turn their vehicles round. The total width would then be 30-33 ft (including my 10 ft).

From time to time my forecourt wall gets damaged by vehicles turning. If I were to place a few loose sizable stones along the frontage, say about 2½ ft from the forecourt wall do I incur any liability if anyone trips over or a vehicle gets damaged?

If the stones are sufficiently clearly marked (eg painted white or yellow) there should be little risk that they would constitute such a hazard as to make you liable in negligence, although that cannot be entirely ruled out. If the bay is not dedicated as part of the highway (in which case you would be wise to display a notice disclaiming any intention to dedicate—see Section 31(3) of the Highways Act 1980 — no other source of liability should arise. If the bay is part of the highway you could be required to remove the stones.

House divided in two

At present we inhabit the larger portion of a house but will shortly have the possibility of buying the back part of the house (at present quite separate). We are considering turning this back part into flats to rent out. Would it be to our advantage to make a doorway between the two parts of the house (thus rendering it one house) or to keep the two separate and have two sets of rates? Would planning permission be required to reconvert two dwellings to one? And would any special form of insurance be required for the part of the building (or separate building) being let out as flats?

The mere making of a doorway would not prevent the premises being rated as separate hereditaments if their actual use were as two or more separate dwellings.

Planning permission would be needed for the change of use which you describe. No particular form of insurance is required in law, but it may be wise to consider whether a more apt form of cover for the flats should be sought. You may wish to consult an insurance broker in this respect.

VAT on storage charges

I recently purchased some new gold sovereigns through my stockbroker to be held in the Channel Islands—and therefore exempt from VAT. A storage charge of 50p per annum was charged, and I have been charged VAT on this storage. When I queried this VAT, I was informed that, as the charge is levied in the UK, nethwithstanding that the storage is in the Channel Islands, where there is no VAT, VAT is chargeable. May I have your views please?

Of a more serious note however, as to "title," my stockbroker informs me that he will not issue a letter of authority for me to collect these coins, should I so wish, in the Channel Islands, as "the Inland Revenue would regard this as suspicious"—even though I would assume full responsibility for the paying of any taxes (VAT, etc.) should I bring them into the UK.

We believe that the answer depends on what your stockbroker is making a charge for. If it is arranging for your sovereigns to be stored and it is his charge as a principal VAT is correctly chargeable. If he is acting as an agent and passing on to you somebody else's charges then we would argue that VAT should not be payable in respect of the transaction.

We cannot see that the reason quoted by your stockbroker is a proper reason for not giving you the letter of authority you want. We suggest that you ask for a more sensible reason.

Transactions as a sham

I refer to the letter and your reply which appeared under the heading "Transactions as a sham," November 6. You concluded that an interest-free loan (repayable on demand) from a son to his parents of the same amount as the total of gifts from parents to son could be attacked as a sham by the Revenue.

The September 1981 issue of Money Which? (page 503) suggested that furniture or antiques could be gifted by parents to their children, say, to utilize CTT exemptions even if the gifts were left in the parents' home, provided the children assumed responsibility for insuring them.

However, it seems to me that, in the latter case, an interest-free (i.e. rent-free) loan of property has been made by the children to their parents, and this is essentially the same situation described by your reader since in both cases the children are allowing their parents the continued use of the gifted property.

Do you regard both cases as being equally susceptible to attack by the Revenue as I had intended to follow the Money Which? tip?

We do not think the risk is so great in the case of gifts of furniture. It is a question of fact in each case whether a gift has been genuinely effected, and the undertaking of the burden of insuring the chattels, if coupled with unequivocal evidence of a gift's having been made, should suffice to deflect attack, at least where the items given have not been very recently purchased.

Correction

The answer given in last week's Finance and the Family to the question under the heading Bed and Breakfast now, was that to another question. The question and answer should read as follows:

In recent years I have made use of the "Bed and Breakfast" transaction in order to take advantage of the annual exemption amount allowed for CGT purposes. However, I am not clear as to the rules, for this year. Could you please tell me if such a transaction still makes sense?

Old-style B & B (within an account) was killed by what is now section 88(4)(b) of the Finance Act 1982. However, it is possible to sell shares and then buy an identical holding without falling foul of the 1982 (=1962) identification rules; but stamp duty cannot be avoided. Your stockbroker (or other professional adviser) will be able to guide you through the new CGT pitfalls.

Rosemary Burr reports on tackling the hazards of unsatisfactory financial advice

How investors can win by complaining

BRITAIN is a nation of grumblers. We grumble about the weather and the level of the pound. But grumbling is a rather fruitless activity: complaining is potentially far more rewarding. Not that I would wish to encourage people to complain at whim, but if you believe there has been some injustice you must know how to go about righting the position.

When it comes to financial advice, with the best will in the world the professionals cannot always come up with the right answers. If they could the chances are they would be sunning themselves in the Caribbean rather than poring over your portfolio in an office.

Every week, however, my postbag is filled with letters from people who at first glance seem to have a sound reason for complaint. On Tuesday, for example, I got a letter from a Spaniard whose British broker appeared to have acted against his specific instructions. Should he write to Professor Gower, who is currently delving into the darker corners of the savings market, he plaintively asked?

So here for all those readers who feel the need to complain is a brief guide. The first essential is go to the top. If you have a row with your branch manager, then address your complaints to the chief executive at head office.

If you get no satisfaction from within an organisation, the next step is to approach the relevant trade association as most have codes of practice and varying disciplinary powers for members who step out of line. A great deal of heartache could be avoided if people bothered to check in the first place that the person they were dealing with was a member of a recognised trade association.

● **Stockbrokers**

If you get no joy from the firm's senior partner then you should write to the Secretary, the Stock Exchange Council, The Stock Exchange, London EC2N 1HP. Make sure you include the name of the firm (many people forget) and set out the details of your grievance.

If the Stock Exchange thinks after investigation that right is on your side then it will lean on the broker to make good the damage. The Exchange itself will not pay any compensation in such cases.

Before writing to the council do check that the broker is a member of the Stock Exchange and not simply a licensed dealer in securities. According to the Exchange, people frequently confuse the two.

● **National Savings**

There is no single repository of wisdom. It all depends what you want to complain about.

Savings Certificates: Savings Certificate Office, Milburngate House, Durham, DH99 1NS. The SAYE office is at the same address. Account holders at the National Savings Bank: The Director, National Savings Bank, Cowglen, Glasgow, G58 1SB.

Premium Bonds: Bonds and Stock Office, Lytham St Anne's, Lancs., FY0 1YN.

Income bonds and *stock on* the National Savings Register: Bonds and Stock Office, Marton, Blackpool, Lancs., FY3 9YP.

● **Solicitors**

In order to practise as a solicitor in this country a certificate issued by the Law Society is required. There are about 42,000 individuals holding such certificates and the Law Society received about 2,500 complaints about their conduct last year.

Anyone with a complaint against a solicitor should write to the Secretary of the Professional Purposes Committee, The Law Society, 113 Chancery Lane, London WC2.

In cases where clients' funds have been misappropriated the Law Society has a compensation fund from which it can make payments. There is also the Negligence Panel which consists of about 250 solicitors around the country who will give a free second opinion. However, if the clients wish to pursue the matter further they will be billed.

The Law Society has the ultimate authority of withdrawing a solicitor's certificate and stopping him or her practising. All principals are required to take out professional negligence policies, so a client who successfully sues a solicitor should get reimbursed.

● **Unit Trusts and licensed dealers in securities.** Both these fall under the auspices of the Department of Trade. However, if you have a problem with a unit trust group your first port of call should be the Unit Trust Association, Park House, 16 Finsbury Circus, London EC2M 7JP.

The Department will act very quickly if investors' money is in danger of imminent disappearance but otherwise it tends to drag its heels. Complaints should be directed to the Head of Companies Division, Department of Trade, Sanctuary Buildings, 16-20 Great Smith Street, London SW1P 3DB.

● **Banks**

The Bank of England is responsible for regulating recognised banks and licensed deposit takers. It cannot get involved with the commercial decisions of individual banks. However, any matter which touches on the Bank's twin functions of ensuring that no-one is taking deposits illegally and maintaining the well-being of the financial system falls within its remit.

If you have such an inquiry it is advisable to write to the head of Banking Supervision Department, The Bank of England, Threadneedle Street, London.

Most queries, however, can usually be settled by writing to the individual bank's head office. Do remember if you are dissatisfied with your bank, it may pay to shop around.

● **Accountants**

Anyone in this country can call himself an accountant and set up business as a tax adviser. So do check before you take advice on how to dispose of your worldly goods that the individual proferring the information is qualified and a member of a recognised professional body.

The largest professional body is the Institute of Chartered Accountants in England and Wales. There are about 75,000 members. If you have an inquiry about a member, then write to the institute at Moorgate Place, London, EC2. Under the so-called Joint Disciplinary Scheme members can be censured, fined and ultimately expelled. However, even if expelled they can continue to practise.

● **Insurance**

Take a deep breath because when it comes to insurance there are eight different organisations, any one of which may be the appropriate resting place for your inquiry.

First you have to sort out exactly where the problem lies. Is it the responsibility of the insurance company, the broker who sold the policy or a Lloyd's syndicate?

1. Intermediaries

Anyone can sell insurance, so the same warning applies as for accountants. If a person calls himself an insurance broker, however, then you are in luck. First check whether the intermediary is a member of the British Insurance Brokers Association. If so, then write to the Consumer Relations Officer, BIBA, Fountain House, 130 Fenchurch Street, London, EC3.

Complex cases are likely to be forwarded to the Insurance Brokers Registration Council, 15 St Helen's Place, London, EC3 which deals with complaints about brokers. The council has access to a Grants Fund and can levy members if this is necessary.

2. Lloyd's syndicates

Complaints should be addressed to the Manager, the *Advisory Department,* Lloyd's, Lime St, London EC3. If there is some substance to the grievance, the issue will be reported to the chairman or deputies. Ultimately the matter could come before the Council.

3. Insurance companies

The Department of Trade is responsible for policing the insurance industry. Although it recommends first writing to the appropriate trade organisation, letters concerning overseas companies operating in the UK and selling techniques should be sent to the head, Insurance Division, Department of Trade, Sanctuary Buildings, 16-20 Great Smith St, London SW1P 3DB.

If it is a question of life assurance then see whether the company is a member of the Life Offices' Association. Its address is Aldermary House, Queen St, London EC4N 1TP.

On non-life matters such as motor, household or holiday insurance the British Insurance Association at the same address as the LOA may be able to help.

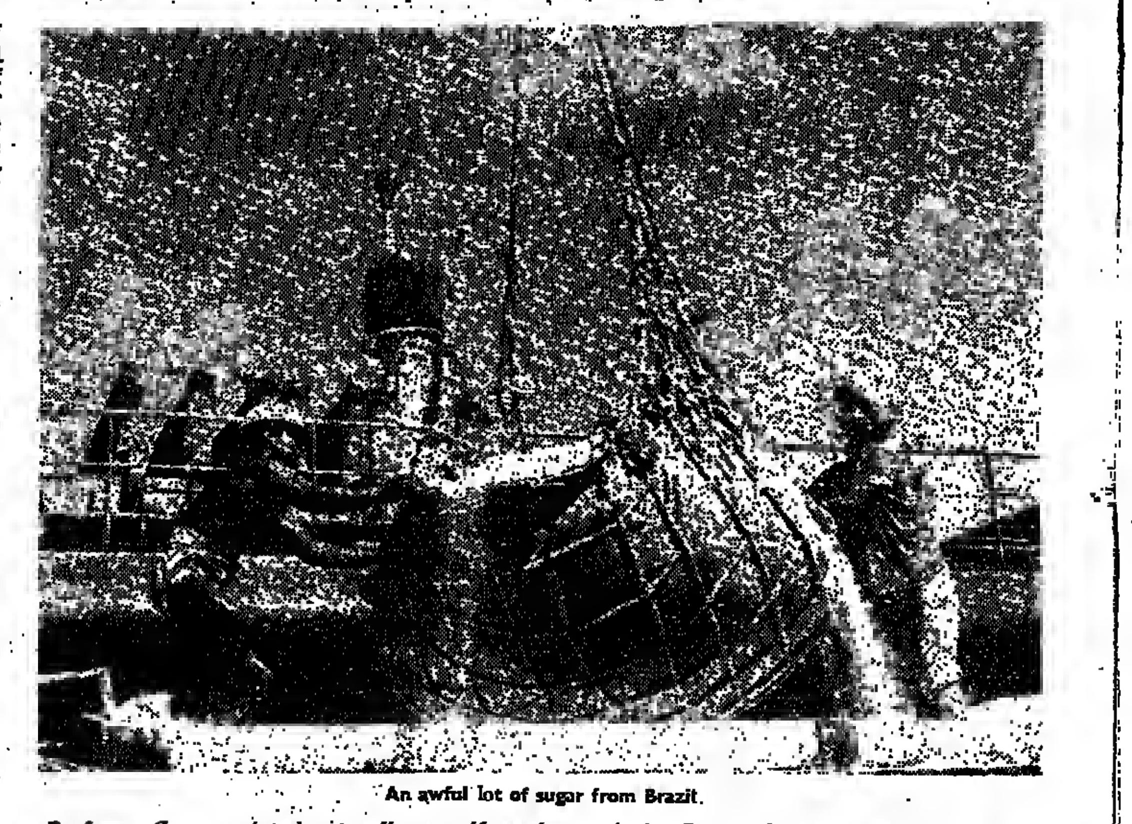
In addition there are two schemes which settle disputes between the public and a limited number of insurance companies. These are The Insurance Ombudsman Bureau, 31 Southampton Row, London, WC1B 5HJ and the Personal Arbitration Service, The Chartered Institute of Arbitrators, International Arbitration Centre, 75 Cannon St, London EC4N 5BH.

However, it is a bit confusing as not all companies are participants in either or both schemes. Before complaining to either body do check two things. First, does the company you are insured with belong to the scheme and, second, does the type of policy you wish to complain about fall within the scope of the body concerned?

How you complain is often just as important as knowing where to go. Letters should be tidily and clearly written. Be succinct and keep extraneous detail—such as the fact you hate the sight of the adviser's suit—for domestic consumption.

John Edwards looks at the risks and rewards

Through the commodity jungle



An awful lot of sugar from Brazil.

COMMODITY SPECULATION has always been considered risky. But the reputation of the markets suffered a further severe blow when Mr Justice Bax in a recent court case claimed that the world of commodity dealing was a "jungle," where small animals (investors) are the most vulnerable prey.

The exchanges, which run the commodity futures markets, may complain about this blanket condemnation of the whole system as a result of the activities of a few "fringe" operators. But they do acknowledge that something has to be done urgently to protect the interests of outside speculators.

Mr Justice Bax was quite right in pointing out that there are very few rules and regulations governing the activities of commodity brokers, who often solicit aggressively for business from the general public.

Previously the Bank of England used the foreign exchange control schemes, which commodity companies had to join to operate, as a means of forcing members of the exchanges to provide the detailed reports needed to monitor the markets effectively.

The Bank could simply threaten to withdraw the foreign exchange exemption privilege if anyone threatened not to toe the line. Since 1978 it has been reduced to a passive informal watchdog role, relying purely on voluntary self-regulation by the members of the exchanges, with the help of the International Commodities Clearing House, now owned by the clearing banks.

On the whole, this works well and in some ways is more flexible than strict, laid down rules and regulations. However, as Professor Gower pointed out in his report on the City institutions, there is little protection for outside participants in the markets—no compensation fund, no body to handle complaints and no restrictions on anyone setting up as commodity broker handling money from the public.

In response the exchanges — the London Commodity Exchange, *Metal* Exchange, Gold Futures, Grain and Feed Trade Association and the new *Financial Futures* market (LIFFE)—have set up a joint executive committee to try to formalise a unified approach to the problem.

However, progress has been slow. There is disagreement among the exchanges themselves on the best approach. Moreover the main objective of the joint executive committee seems to be the avoidance of a Government-sponsored organisation, like the Commodities Futures Trading Commission in the U.S.

The London exchanges would prefer something like the recently formed National Futures Association, which has taken over some of the CFTC's duties in the U.S. and is basically a self-regulatory body. It does, however, have legislative powers to enforce the licensing of all commodity traders.

The London exchanges should be able to ensure their members obey a code of conduct. Indeed, most of the companies with good names to protect are punctilious in ensuring that speculators are aware of the high risks involved.

In the main it is the next tier down—clients of the exchange members—where the trouble *lies; the fringe* or bucket *shop* operators with few scruples. They often concentrate on the small investor that the established brokers don't want to know about.

So there is considerable scope for unscrupulous brokers, normally not members of the exchanges, to mislead or exploit the unsuspecting public who have little redress under the existing law.

The Department of Trade, under outdated legislation conceived for a different purpose, does ban the promotion and advising of commodity syndicates or unauthorised, offshore funds. But there are many loopholes. Companies can sell their wares quite easily via seminars, Press articles, word of mouth or simply aggressive marketing tactics.

Although the joint executive committee hopes to come up with a self-regulatory programme by mid-year, any government legislation is unlikely before Professor Gower reports back again much later this year and almost certainly would be delayed until after the general election.

A Conservative Government is much more likely to agree with the exchanges' view that self-regulation is the best objective, and that instead of a licensing approach a better way round the problem might be to extend the Banking Act controlling takers of money instead of seeking to stifle speculation—which is, after all, an important ingredient of properly functioning markets.

In the meantime, the best advice to investors is to follow the old adage that the higher the promised reward, the higher the risk. But with commodity prices starting to move up again speculators are likely to be strongly tempted by hopes of a "killing" in spite of the risk involved.

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YOUR SAVINGS AND INVESTMENTS—3

Discovering the true cost of an insurance policy

ALMOST ALL life companies have now decided what action to take on commission payments for life and pension business following the ending of the official agreement from the Life Offices Association and the Associated Scottish Life Offices.

Many top executives within life companies are now claiming that the market has settled down. But since the life companies, with certain exceptions, have not publically stated their position, this is difficult to confirm. Noises coming from the British Insurance Brokers Association would suggest that while all may be calm on the surface, underneath all is confusion.

It was apparent early on that the main area of competition over commission would not be between the old and the new companies over linked business, but between the old companies for mortgage repayment business. This is proving to be the case.

The traditional life companies have adopted different attitudes towards registered insurance brokers and building societies. Some are paying brokers as much as 15 per cent more commission and keeping building societies on the old basic rate. Others are paying building societies the same higher commission as to brokers. A third group is in between this position.

This situation has upset BIBA which has been campaigning for differential commissions with higher payments for brokers but not for the part timers, and building societies are part timers in BIBA's eyes.

It has made an official protest to Sir Gordon Borrie, Director General of Fair Trading, making accusations against building societies.

BIBA points out that building societies lack expertise. It also claims that the societies offer borrowers a choice of only six life companies on their panel and those borrowers wanting to use another life company find it very difficult to do so. BIBA then says that with life companies offering higher commissions, borrowers will find it even more difficult to use a company not on the panel.

The hidden accusation by BIBA is that unless a life company offers higher commission, it will not find itself on the panels of many building societies.

The reply from the Building Societies Association virtually accused BIBA of double talk. It points out that in practice, insurance brokers receive higher commission for volume business and that they also only use a small number of life companies in placing the bulk of their business.

It is indeed a war of words between two organisations that have crossed swords in the past over house insurance business. Both bodies and the life companies in all this seem to be overlooking one important feature—the attitude of the consumer.

PolicyHolder Magazine last week published the results of a survey made for it by the British Market Research Bureau. This showed that the public thought brokers received far less commission than is actually paid. They had a shock when the true position was given.

The table shows the amount of commission paid to various intermediaries on certain popular types of life and pension contracts. The commissions competition is about quite large sums of money.

Dr Gerald Vaughan, Minister of State for Consumer Affairs, has said that if he thinks the public is suffering from excessive competition over commission then he would take steps to make companies and intermediaries publish commission payments at the point of sale.

The brokers have no illusions that such publication would turn many members of the public away from taking out life assurance. If this is so then, they should think carefully before pursuing their campaign against the building societies.

The societies, for their part, should reassess carefully their attitude towards giving insurance advice and show they are impartial.

Eric Short

EXAMPLES OF INITIAL COMMISSION PAYMENTS TO INDEPENDENT INTERMEDIARIES*

Company	(1) £10,000 single premium linked life bond: Reg. broker†	Other full-time intermediary	(2) Variable life plan man aged 39 monthly premium £30: Reg. broker†	Other full-time intermediary	Part-time intermediary	(3) £20,000 low-cost endowment 25 years man aged 29: Reg. broker†	Building society§	(4) Personal pension plan man aged 50 annual premium £500: Reg. broker†	Accountant‡
	£	£	£	£	£	£	£	£	£
Albany Life	400¶	400¶	324¶	324¶	**	no policy		210¶	**
Commercial Union	410	390		no policy		231	201‖	242	210
Eagle Star	††	††	††	††	††	235	225	241	210
Equity and Law	517	495	414	396	360	282	245	241	210
Friends' Provident	††	††	††	††	††	232	232	241	210
GRE	520	520		no policy		234	234	200	200
Lloyds' Life	400	400	501	501	**	no policy		210	**
Standard Life	517	495	372	356	324	253	220	241	210

* Payment may be spread over two years. † No indemnity terms. ‡ No employee working full time on insurance business. § Maximum rate for approved building societies. ¶ Basic figure, increased by volume over-ride. ‖ Subject to individual review. ** No agencies to part-time intermediaries. †† Does not issue unit-linked contracts.

Why should we lend at 3%?

ABOUT ONE in three adults is lending money to the Government for a paltry rate of 3 per cent gross. While industry is buckling under the strain of historically high real interest rates the Government is benefiting from savers' apathy and hoarding over a billion pounds, on which it is paying interest at much less than the current inflation rate.

If you are one of the Government's unwitting benefactors it is high time you switched your money to a more remunerative home. Since January 1, when National Savings introduced a two-tier interest rate on its ordinary account, there has been a sharp cut in the return for 13½m depositors.

The idea behind the move was an attempt to alter the image of the ordinary account from a deposit facility to a lo[ng] term savings vehicle for th[ose] with reasonable sums to depo[sit]. The rates announced in Dece[m]ber are guaranteed for the wh[ole] of 1982, a brave step in the lig[ht] of pirouetting internation[al] rates.

Those with £500 or more [in] the account are now getting [6] per cent gross, hardly genero[us] compared to the clearers at t[he] moment. Worse, the vast maj[or]ity of account holders are n[ow] receiving 3 per cent, the ra[te] for savers with less than £500 [in] their accounts. For ordinary ra[te] taxpayers this is a miserly [2.1] per cent net of tax.

The average ordinary accou[nt] balance is £117, but most peop[le] keep smaller sums than this [in] their accounts. In all there a[re] 14½m ordinary account holde[rs] whose deposits total £1.7bn, [of] which some 850,000 qualify f[or] the higher rate.

The message for the v[ast] majority of ordinary accou[nt] holders is simple—move yo[ur] account to a bank or buildi[ng] society. Otherwise the real val[ue] of your savings will be erod[ed] during 1983.

Rosemary Bur[r]

The Association of Investment Trust Companies — THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(5): as at close of business on Monday 17th January 1983. Columns (6)–(10): as at 31st December 1982. Column (11): Total Return on N.A.V. over 5 years to 31.12.82.

Total Assets less current liabilities (1) £million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Gearing Factor (10) base=100	Total Return on N.A.V. over 5 years to 31.12.82 (11) base=100
	VALUATION MONTHLY									
289	Alliance Trust	420	4.0	561	44	44	7	5	95	219
4	Atlanta, Baltimore & Chicago	115	1.4	123	13□	87	–	–	94	192
209	British Invest. Trust	230	6.1	328	56	36	7	1	84	200
78	First Scottish American Trust	177	4.0	223	51	37	11	1	100	216
136	Investors Capital Trust	156	3.2	197	35	53	7	6	102	210
7	New Darien Oil Trust	49	0.4	70	3	85	–	12	92	†
93	Northern American Trust Co.	187	4.1	245	51	37	11	1	101	220
–	River Plate & General Invest. Trust	128	6.3	–	77	14	–	9	101	†
17	xSave & Prosper Linked Invest. Trust	118	–	244	100	–	–	–	150	143
231	Scottish Invest. Trust	184	3.9	237	38	39	13	10	96	208
90	Scottish Northern Invest. Trust	110	4.7	160	57	37	2	4	105	199
163	Scottish United Investors	71	3.7	86	33	46	11	10	102	196
96	Second Alliance Trust	361	3.8	487	45	43	7	5	97	221
4	Shires Investment	140	12.0	152	100	–	–	–	86	138
136	United States Debenture Corporation	145	6.1	194	69	31	–	–	101	191
5	West Coast & Texas Regional	124	1.5	139	11□	89	–	–	97	177
	Baillie Gifford & Co.									
281	Scottish Mortgage & Trust	224	3.4	292	31	47□	16□	6	108	226
110	Monks Invest. Trust	98	3.5	127	29	41	23□	7	103	216
19	Winterbottom Energy Trust	50	1.9	72	6	89	–	5	105	136
12	Baillie Gifford Japan	111	0.5	119	–	–	100	–	94	†
4	Mid Wynd International Invest. Trust	69	3.5	89	16	53	21	10	98	†
	Baring Bros. & Co. Ltd									
65	Outwich Invest. Trust	82	4.0	111	61	18	12	9	115	202
46	Tribune Invest. Trust	129	3.4	180	34	44	12	10	89	223
	East of Scotland Invest. Managers Ltd.									
76	Aberdeen Trust	179	5.2	224	77	21	1	1	102	207
50	Pentland Invest. Trust	235	3.9	285	56	35	5	4	99	207
	Edinburgh Fund Managers Ltd.									
98	American Trust	87	3.8*	111	34	65	–	1	101	208
29	Crescent Japan Invest. Trust	430	0.5	431	–	–	100	–	95	285
23	General Scottish Trust	91	4.9	113	53	32	10□	5	96	238
4	New Australia Invest. Trust	85	2.1	78	–	–	–	100	101	†
15	New Tokyo Invest. Trust	148	0.0	150	–	–	100	–	99	†
12	Wemyss Invest. Trust	400	7.1	534	43	30	–	27	88	171
	Electra House Group									
469	Globe Invest. Trust	158	7.2	235	66	22	4	8	100	187
53	Temple Bar Invest. Trust	74	7.6	91	95	4	–	1	95	186
	F & C Group									
46	Alliance Investment	120	3.6	161	56	24	14	6	117	261
38	Cardinal Invest. Trust	107	4.4	148	57	22	5	16	106	211
7	F & C Eurotrust	64	3.3	80	13	1	–	86	111	141
373	Foreign & Colonial Invest. Trust	87	3.6	114	39	33	21	7	111	229
51	General Investors & Trustees	96	5.2	143	56	19	6	20	106	218
	Robert Fleming Investment Mngt. Ltd.									
21	Claverhouse Invest. Trust	155	6.4	207	99	1	–	–	100	234
14	Fledgeling Investments	88	3.6	108	86	12	–	2	97	317
72	Fleming American Invest. Trust	348	1.7	423	2	97□	–	1	75	207
18●	Fleming Enterprise Invest. Trust	135	6.9	179	100	–	–	–	96	207
107	Fleming Far Eastern Invest. Trust	181	1.0	208	3	–	83	14	94	211
49	Fleming Japanese Invest. Trust	281	0.9*	319	4	4	92	–	92	225
195	Fleming Mercantile Invest. Trust	78	4.8	112	45	36	6□	13	102	226
132	Fleming Overseas Invest. Trust	236	4.2	298	27	38	20	15	91	211
55	Fleming Technology Invest. Trust	209	2.9	276	53	35	11	1	98	230
60	Fleming Universal Invest. Trust	187	4.6	274	65	23	6	6	96	204
	GT Management Ltd.									
48	Berry Trust	215	1.2	236	27	37	18	18	124	316
13	GT Global Recovery Invest. Trust	87	4.1	99	25□	39	18	18	116	†
38	GT Japan Invest. Trust	468	1.5	433	–	3	95	2	111	316
16	Northern Securities Trust	293	2.4	382	34	38	14	14	128	266
2	xChild Health Research Invest. Trust	162	–	243	48□	25	27	5	82	†
2	xMarine Adventure Sailing Trust	125	–	157	41□	28	27	4	83	†
	Gartmore Investment Management Ltd.									
13	xAltifund plc	234	0.2	330	93	2	3	2	117	229
41	Anglo Scottish Invest. Trust	81	4.4	115	51	40	2	7	105	216
47	English & Scottish Investors	82	3.1*	113	47	42	4	7	107	251
15	Group Investors	142	3.2	191	43	50	4	3	101	262
11	London & Gartmore Invest. Trust	161	1.3	219	22	51	2	25	117	239
15	London & Lennox Invest. Trust	63	4.6	78	44	45	–	11	109	203
39	London & Lomond Invest. Trust	136	4.2	184	56	39	4	1	106	208
18	London & Strathclyde Trust	88	3.6	112	59	36	–	5	112	219
24	Meldrum Invest. Trust	91	5.6	121	80	19	–	1	100	241
	Gartmore Investment (Scotland) Ltd.									
129	Scottish National Trust	132	4.0	185	55	33	4	8	107	209
33	Glasgow Stockholders Trust	101	3.4	132	50	40	–	10	107	210
	John Govett & Co. Ltd.									
149	Border & Southern Stockholders Trust	108	4.1	145	61	22	16	11	98	203
20	General Stockholders Invest. Trust	174	3.4	268	33	55	6	6	101	190
108	Lake View Invest. Trust	176	3.5	225	39	11	29	21	102	197
111	Stockholders Invest. Trust	187	3.0	240	22	69	6	4	106	199
	Hambro Group									
43	Bishopsgate Trust	119	4.2	167	58	36	5	1	102	219
6	City of Oxford Invest. Trust	128	6.1	174	98	–	–	2	99	229
89●	Hambros Invest. Trust	106	4.4	154	48	43	4	5	105	249
8	xRosedimond Invest. Trust	175	–	204	100	–	–	–	–	173
	Henderson Administration Ltd.									
225	Witan Invest. Co.	90	3.4	128	49	29	15	7	106	237
43	Electric & General Invest. Co.	149	2.6	210	44	47	7	2	102	235
13	Greenfriar Invest. Co.	243	1.4	328	50	31	8	11	111	297
12	Lowland Invest. Co.	126	5.4	149	87	4	–	9	102	269
	Philip Hill (Management) Ltd.									
38	General Consolidated Invest. Trust	146	6.4	199	60	34	–	6	97	216
224	Philip Hill Invest. Trust	170	5.9	227	73	24	–	3	96	221
10	Moorgate Invest. Trust	163	6.4	206	90	8	–	2	95	246
56	Nineteen Twenty-Eight Invest. Trust	118	5.8	148	53	43	–	4	95	194
	Industrial & Commercial Fin. Corp. Ltd.									
17	London Atlantic Invest. Trust	110	6.5	146	70	14	–	16	91	214
10	North British Canadian Invest. Co.	133	5.5	148	91	3	–	6	99	240
	Ivory & Sime Ltd.									
162	Atlantic Assets Trust	83	0.5	105	30□	69	–	1	89	361
164	British Assets Trust	135	5.1	168	32	61	–	7	101	208
90	Edinburgh American Assets Trust	166	0.7	186	12□	78	6	4	109	292
72	Independent Invest. Co.	232	0.3	257	15□	82	–	3	86	†
9	Japan Assets Trust	30	0.6	29	–	–	100	–	95	†
43	Viking Resources Trust	72	1.6	96	10	87	–	3	113	215
	Kleinwort Benson Investment Mangt. Ltd.									
51	British American & General Trust	68	5.4	92	44	47	6	3	90	198
50	Brunner Invest. Trust	104	4.6	136	41	47	7	5	98	232
58	Charter Trust & Agency	103	5.1	139	50	40	7	3	99	213
77	English & New York Trust	127	4.7	174	39	51	5	5	93	200
7	Family Invest. Trust	134	6.4	169	97	1	–	2	100	222
6	Jos Holdings	67	6.1	90	61	34	3	2	99	224
13	London Prudential Invest. Trust	146	5.2	192	60	31	7	2	95	226
96	Merchants Trust	129	4.6	176	43	44	9	4	95	214
	Lazard Bros. & Co. Ltd.									
55	Raeburn Invest. Trust	205	5.3	300	53	34	7	6	91	202
58	Romney Trust	163	3.9	227	31	40	19	10	97	211
	Montagu Investment Management Ltd.									
11	British Industries & Gen. Invest. Trust	168	4.3	208	45	19	26	10	97	160
5	City & Foreign Invest. Co.	79	0.0	116	2	98	–	–	93	202
98	Drayton Consolidated Trust	184	6.4	279	62	17	12	9	97	166
16	Drayton Far Eastern Trust	80	2.2	93	4	–	66	30	94	216
[illegible]	Drayton Japan Trust	241	1.3	289	6	6	79	9	94	185
	Montagu Investment Mngt. (continued)									
20	English & International Trust	135	6.1	187	63	23	9	5	96	177
10	Montagu Boston Invest. Trust	98	2.0	184	2	98	–	–	94	186
23	xCity & Commercial Invest. Trust	316	–	482	93	3	4	–	129	206
19	xDualvest plc	532	–	724	84	9	2	5	133	189
18	xFundinvest plc	159	–	233	90	5	4	1	126	193
51	xTriplevest plc	406	–	623	84	9	2	5	129	185
	Morgan Grenfell Ltd.									
145	Anglo-American Sec. Corp.	181	4.0	245	44	32	15	9	98	214
46	North Atlantic Sec. Corp.	199	2.0	234	–	62	27	11	94	217
	Murray Johnstone Ltd.									
85	Murray Caledonian Invest. Trust	96	8.2*	127	56	34□	1	9	92	220
139	Murray Clydesdale Invest. Trust	96	3.1*	127	33	58□	5	4	90	221
39	Murray Glendevon Invest. Trust	205	2.1	251	39	50□	4	7	97	233
48	Murray Northern Invest. Trust	102	2.7*	138	22	32□	18	28	109	207
151	Murray Western Invest. Trust	124	2.9*	163	27	61□	7	6	82	226
	Rivermoor Management Services Ltd.									
147●	London Trust	77	7.0	112	60	24	–	16	106	205
18	Moorside Trust	73	6.8	91	46	45	4	5	95	176
52	River and Mercantile Trust	161	6.8	211	58	25	2	15	105	217
	J Rothschild Invest. Management Ltd.									
246	RIT and Northern	169	5.6	235	46□	25	6□	23□	70	278
38	Ailsa Invest. Trust	59	4.6	73	42	37	13	8	93	†
17	Precious Metals Trust	133	0.5	146	12□	61	–	27□	82	†
	N M Rothschild Asset Management Ltd.									
19	Equity Income Trust	298	6.3	358	96	1	1	2	106	†
	J Henry Schroder Wagg Group									
38	Ashdown Invest. Trust	250	3.9	345	47	40	6	7	93	209
52	Broadstone Invest. Trust	280	3.8	367	47	47	4	2	93	204
85	Continental & Industrial Trust	342	5.4	487	46	51	–	3	102	204
55	Trans-Oceanic Trust	120	3.0	149	23	65	7	5	104	211
	Stewart Fund Managers Ltd.									
137	Scottish American Invest. Co.	168	3.9	220	42	50	2	6	111	221
7	Stewart Enterprise Invest. Co.	31	1.8	42	42	51	–	7	105	†
	Throgmorton Invest. Management Ltd.									
16	xThrogmorton Secured Growth Trust	174	–	274	100	–	–	–	62	147
–	Throgmorton Trust	142	6.0	–	98	1	–	1	103	†
	Touche Remnant & Co.									
58	Bankers' Invest. Trust	108	5.2	148	68	22	6	4	98	220
24	TR Australia Invest. Trust	134	3.7	170	24	7	1	68	102	169
69	TR City of London Trust	99	7.2	140	89	8	–	3	97	201
298	TR Industrial & General Trust	91	4.7	132	61	20	12	7	103	204
82	TR Natural Resources Invest. Trust	182	5.3	268	56	30	–	14	101	196
55	TR North America Invest. Trust	128	3.5	158	19	80	–	1	106	214
67	TR Pacific Basin Invest. Trust	147	1.9	182	23	3	62	12	98	199
55	TR Property Invest. Trust	88	3.6	121	68	19	2	11	106	186
189	TR Technology Invest. Trust	125	3.8	168	44	35	15	6	100	227
114	TR Trustees Corporation	81	5.3	121	73	18	3	6	106	209
	VALUATION THREE MONTHLY									
27	Dundee & London Invest. Trust	132	4.6	260	73	18	7	2	95	218
5	Lancashire & London Invest. Trust	90	4.6	118	77	23	–	–	73	†
11	Oil & Associated Invest. Trust	80	7.2	105	62	34	–	4	95	163
18	Safeguard Industrial Investment	119	7.4	160	100	–	–	–	99	199
14	Scottish Cities Invest. Trust	280	6.4	405	84	12	–	4	71	†
19	Scottish & Mercantile Invest. Trust	220	4.5	332	77	23	–	–	98	†
26	Yeoman Invest. Trust	161	6.0	209	79	13	3	5	97	214
15	Young Companies Invest. Trust	161	5.7	211	89	4	3	4	96	254
	Ivory & Sime Ltd.									
4	First Charlotte Assets Trust	14	0.5	12	66	34	–	–	78	†
23	North Sea Assets Trust	130	3.1	194	52	48	–	–	93	†

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
● More than 20% in securities or other assets included at directors' valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.

(a) Cols. 1, 3 to 5 — Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 — Statistics simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 — Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 — Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Col. 10 — The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'Investment Trusts today.'

(f) Cols. 5, 11 — Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(g) Col. 11 — Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	218
F.T.-Actuaries All Share	219
*Standard & Poors Composite	157
*Capital International World	151

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movement between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio and whether it has changed its investment policy should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

PROPERTY

Growth in East Anglia

BY JUNE FIELD

WITH ITS varied buildings of Kentish rag, puddingstone, knapped flint and flushwork decoration, plus a proliferation of thatch and half-timber, East Anglia has always been a place apart. Its unique appeal, even its oddity, undoubtedly starts with the vagaries of the antiquated Liverpool Street Station, main starting-off point for journeys by rail.

For even this gothic pile has its devotees. Writing in the February issue of *In Britain*, Gerda Cohen, referring to the London termini "where gothic turrets spring and soar above the dazed commuters," enthuses: "I do love Liverpool Street Station above all . . . where Salisbury Cathedral and east-coast Venetian come together into one deranged conglomerate, bewilder tourists from Holland and throw Suffolk farmers into confusion."

Access by road is now much easier since the first stretch of the M25, Dartford Tunnel to the A 127, opened recently, some 60 years after it was mooted. The significance of the new motorway appears to have passed largely unnoticed, and local businessmen suspect that its true importance will take some time to become apparent.

John Gibson of Savills' Chelmsford Office says: "When East Anglia's only other motorway, the M11, opened, there was an immediate effect on house sales. For instance, a house near Saffron Walden which sold with difficulty for £75,000 before that road opened, later sold for more than £160,000."

Mr Gibson considers that the current undertaking will only be appreciated slowly, which means that buyers can still take advantage of the lower prices in Essex. He is counting on the next stretches of the M25, the A127 to the A12, and the A12 to the M11, scheduled for spring and summer, to really get things moving. "This should take some of the volume of traffic, particularly juggernauts, off the little villages, and so help property values."

Abbotts, East Anglian-based chartered surveyors, who can trace their Essex roots back 150 years, are again extending their estate agency interests by merging with Hills, Norfolk-centred firm started in 1979.

The latest expansion, which takes in Chris Nash, Chris Pointen and Harry Hill as full equity partners, means the addition of a further seven offices. This brings the total to 27 in a network covering Essex, Suffolk, Norfolk and the City of London.

Big would appear to be beautiful these days as far as many estate agents are concerned, and Roy Chapman, Abbotts' senior partner, announces that the merger puts the practice in the big sales league: "One notable result is to push us from 17th to 11th in the national league table of estate agents."

He was referring to a list drawn up by *Chartered Surveyor Weekly*, which dates almost as soon as it is published. For instance with Lloyds Bank Black Horse Agencies acquisition last week of Midland agent Frank Innes, it brings the bank's branches up to 96, so beating the existing number one in the charts, Mann and Company's 95 offices. Although some might contend that the *status quo* remains, as the Black Horse does not trade under a collective name, the various offices still retaining their individual identity.

To promote the new set-up, Abbotts has produced a Property Guide, free from Mr Chapman, Abbotts, 57-59, Crouch Street, Colchester, Essex. It features a converted Martello tower at Felixstowe (£76,000), two cottages converted into one with a mill and outbuildings (£49,750), and a former Wesleyan chapel in Wickham Skeith, with grant aid of up to £6,441 to adapt it into a three bedroom house, £18,500.

It is a good area for smallholdings too, and a nine-acre market garden/nursery, on the Norfolk/Suffolk borders with large commercial greenhouses, a barn and a semi-detached modernised cottage is £67,500, and a farm shop with a three-bedroom chalet bungalow at Dunton Wayletts is £75,000.

Traditional East Anglian Grade II listed thatched cottage, about 400 years old, with 4 bedrooms and two bathrooms, in 3½ acres in Langham, Essex, is £98,000 through Bairstow Eves' Colchester office

Three bedroom thatched cottage about 250 years old, in ½ acre at Willingale, near Chelmsford, has a kidney-shaped swimming-pool and is £79,950. Details Judy Terry, Bairstow Eves, Springfield House, 29 Springfield Road, Chelmsford, Essex (0245 358700).

Bargains in Brussels

ONE GOES Townsend Thoresen Dover across to Calais, then drive 2½ hours via Dunkerque and Lille to the ring road on the north-east outskirts of Brussels to the pleasant busy suburb of Jette.

Here must be one of the best bargains in the property business, British built studio-apartments for well under £10,000, in an up and coming area about a quarter of an hour's drive from the headquarters of the European Economic Community, at Rond Point Schuman.

With the Belgian housing market so dead, Trafalgar House group's New Ideal Homes which started building apartments on the continent in the early 1970s, are now promoting the last dozen or so of the 54 units in the six storey Residence Les Saules, Rue Gaston Blernaux, Jette.

Marketing director Christopher Price says they are aiming to attract British business people working in the area, whose lodging allowance is so good that it is worthwhile to buy rather than to rent: "We are also talking to families who have a youngster going to University there, who realise that a *pied à terre* is a worthwhile investment at that figure."

Trying to relate the district to one in Britain is difficult. Bits of the area are nice, some not so nice. They are still digging quite a lot of it up everywhere.

The site on which a bevy of new apartment blocks is being built used to be a market garden. "The place could be compared to St John's Wood crossed with parts of Bristol and Streatham," observes Mr Price, who thinks that anyway, comparisons are misleading, and that it is best to clear one's mind of all preconceptions, and go and have a look to decide if it appeals.

For a brochure on the pleasing studio - apartments, which in addition to the good-sized main room, also have a separate kitchen, bathroom, and balcony, plus central heating, storage cellar and parking space, contact Mr Price, New Ideal Homes, Goldsworth House, St Johns Road, Woking, Surrey.

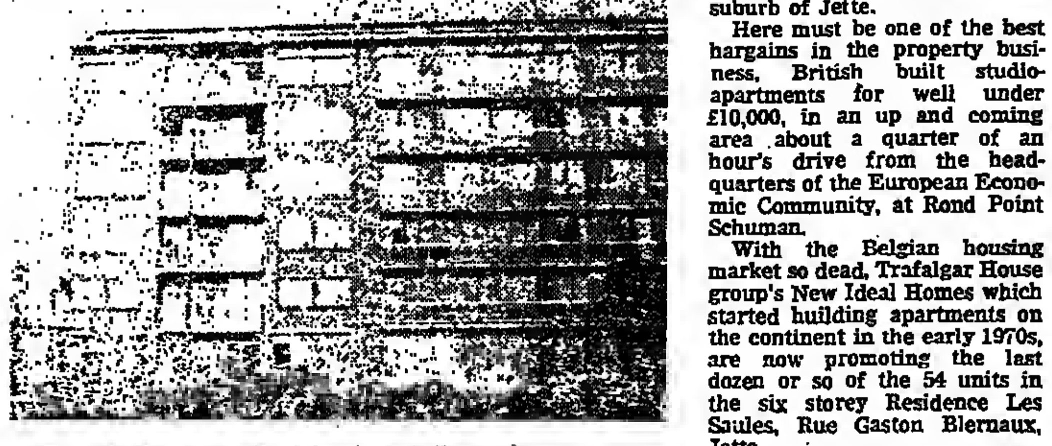
Or serious inquirers can telephone the local agent M. Emil Barro in Brussels on 010 322 460, who will make an appointment to meet you at site, or from the airport. (The method of property purchase in Belgium is quite different from the system here. There are no sales offices open and awaiting customers, and it is rare for appointments to be made at weekends until it is absolutely necessary.)

The studios at the Residence can be paid for in Belgian francs or sterling, and special finance arrangements can be arranged. Purchase is on a kind of shared freehold basis, each apartment buyer owns so many thousandths of the block and the land beneath. Management charges are about £100 a year. Many of the units are rented out, mainly to young couples, at F6,500 a month, about £90 at the rate of 72 Belgian francs to the £. This figure is raised annually by government index.

Flemish - speaking Belgians who have bought, cover a wide cross-section—managers of small businesses, civil servants, architects, some widows and retired people.

Shopping is usually done at the American-backed Super Market GB, or at Delhaize (Belgian with French connections), around the corner in old Jette, or in the local market. The rate of inflation is about nine per cent, and once you know your way around, the cost of living does not work out too high, with salaries being so much greater than in Britain, one EEC worker told me.

Workaday menus include the inevitable but superlative beer, mussels and *frites*. You can buy the latter at street corner *friture* stands, sold in paper cones with mayonnaise. Another street speciality is *caricoles* (snails), eaten hot with a cup of the broth they were cooked in.



Residence Les Saules, Jette, Brussels, where studios can be bought from £7,717, a special discounted price. Brochure from Christopher Price, marketing director, New Ideal Homes, Goldsworth House, St. Johns Road, Woking, Surrey (04862 76155)

BRIDGE

E. P. C. COTTER

LOSER-ON-LOSER plays loom large in the textbooks, and they can be very attractive. Let us study this example which is taken from *Bridge Play Technique*, recently published by Country Life Books, and written by Derek Rimington and myself:

N
♠ J 5 3 2
♡ 9
◇ Q 6 5 2
♣ Q J 10 7

W
♠ —
♡ K 10 6 5 3 2
◇ J 10 8
♣ K 9 8 5

E
♠ 10 9 7
♡ 8 4
◇ K 9 7 3
♣ 6 4 3 2

S
♠ A K Q 8 6 4
♡ A Q J 7
◇ A 4
♣ A

In an average pairs event South dealt at game all and bid two clubs. After a response of two diamonds, North raised the opener's rebid of two spades to four spades, which encouraged South to bid six spades.

All the North-South pairs reached six spades, but not one of them managed to make 12 tricks. West led the diamond Knave, covered by Queen, King, and Ace. Each declarer decided to ruff three hearts in dummy—not an impossible line of play—cashed the Ace of hearts, ruffed a heart on the table, returned to hand via the Ace of clubs, and ruffed another heart. Unfortunately, East overruffed, and led a diamond to defeat the contract.

Loser-on-loser technique guarantees 12 tricks. After winning the first trick, the declarer should cash Ace and King of trumps and the Ace of clubs. He then crosses to the spade Knave, drawing East's remaining trump, and leads the Queen of clubs, on which he discards his losing four of diamonds. West takes his King and returns the diamond ten. Declarer ruffs, cashes the Ace of hearts, ruffs a heart with the last trump on the table, and discards his other two hearts on the established Knave and ten of clubs.

If East happens to hold the club King, and covers when the Queen is led from dummy, it makes no difference. Declarer ruffs, cashes his heart Ace, ruffs a heart, and once again throws his two heart losers on the clubs.

We turn from loser-on-loser to winner-on-loser. That intrigues you, does it? Well, take a look at this hand:

N
♠ 8
♡ J 7 4
◇ A 4 3
♣ Q J 10 9 5 3

W
♠ A 7 5 4
♡ K 10 9 6 2
◇ 10 2
♣ 6 2

E
♠ K 9 3 2
♡ 5 3
◇ 7 6 5
♣ K 8 7 4

S
♠ Q J 10 6
♡ A Q 8
◇ K Q J 9 8
♣ A

In this deal from rubber bridge, South dealt at game all and bid one diamond. North replied with two clubs, and the opener made a reverse bid of two spades. When North gave primary preference with three diamonds, South went three no trumps, and all passed.

West's heart six was covered by dummy's seven, East played the five, and South won with the Queen. Seeing no way of establishing and enjoying clubs, declarer cashed King, Queen, Ace of diamonds, and returned the eight of spades. East was alert, and played his King which held, and returned a heart, enabling West to clear his suit and defeat the contract when he got in with the Ace of spades.

Declarer could have made his contract and at the same time earned himself a niche in the Hall of Fame. At trick three he must cash the club Ace, cross to the diamond Ace, and return the club Queen. East will cover, and South throws his Ace of hearts—a lovely jettison play designed to create an extra entry to the table. Now the defence can take two spades and a heart, but the declarer's contract is assured.

CHESS

LEONARD BARDEN

TWO YEARS ago, the ICL Hastings congress committee complained to Moscow about the USSR's growing practice of sending grandmasters to their prestigious New Year event immediately after completing play in a Soviet tournament. The breaking-point came in 1979-80 when the second-line GMs Georgadze and Makarychev arrived at the White Rock Pavilion practically wiping the sleep out of their eyes and proceeded to yawn their way through a series of colourless draws. Next year, as a gesture of disapproval, Hastings refused the Soviet entrants who in any case were nominated too late for the official deadline.

In the last two Hastings there has been a notable change. GMs Kupreychik in 1981-82 and Vaganian this year still arrived hot-foot from a major Soviet event, but they came full of energy and proceeded to demolish some high calibre opposition. Vaganian's performance was quite remarkable: he had to play his final two rounds in the USSR First League at Telavi in distant Georgia in advance to get away in time for his flight to Britain. But he still won that tournament ahead of a flock of grandmasters and led from start to finish at Hastings, even winning in the final round with the first prize already in his pocket.

Scores at Hastings in the ICL grandmaster event were Vaganian (USSR) 11 out of 13, Kovacevic (Yugoslavia) 8½, Ftacnik (Czech) and Murey (Israel) 8, Tukmakov (USSR) 7½, Mestel (England) 7, Hebden (England) 6½, Gurevich (U.S.) and Short (England) 6, Farago (Hungary) and Henley (US) 5, Littlewood and Plaskett (both England) 4½, Lein (U.S.) 3½.

How to explain the Russian transformation? It seems to me that Karpov's crushing victory over Korchnoi in the last world title match coupled with the fast rise of Kasparov as undisputed world No. 2 has spurred on other USSR grandmasters who in recent years have had to contend with stiffer Western challenge. West Europeans, in contrast, have been discouraged by failure at the Lucerne olympics and the interzonals.

Certainly the British performance, even allowing that only one of our six grandmasters was available, was notably worse than in recent years. Hebden, a late substitute, was the most impressive and until near the end was in contention for a grandmaster result.

Nigel Short, at 17, continues to be an enigma. Only a few months ago in Amsterdam he obtained a GM norm, but at Hastings his play showed a teenager's inexperience. Twice he mishandled simple endgames and more than once he moved quickly and superficially. Yet even so he beat four of the eight grandmasters and for the second year running secured a prize Russian scalp. Probably it is no longer realistic to talk of Short as a future world title [illegible] of uneven form, occur often enough to suggest he can still become a strong grandmaster within a few years. As evidence, play over this week's game where Short outplays a man who was among the leaders in the recent world title interzonals.

WHITE: N. D. Short (England)

BLACK: V. Tukmakov (USSR)

OPENING: Sicilian Defence (ICL Hastings, 1982-83).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, N-B3; 6 P-KN3, B-N5; 7 P-B3, B-Q2; 8 B-K3, P-K3; 9 Q-Q2, P-QR3; 10 P-KN4, P-QN4.

A suspect advance which creates a pawn weakness and thus denies Black the resource of queen's side castling. Q-B2 is sounder.

11 P-N5, N-KR4; 12 0-0-0, R-B1; 13 NxN, RxN; 14 B-R3 (the positional threat B-N4xN forces a fresh weakness), P-R3; 15 PxP, PxP; 16 KR-N1, B-N2; 17 N-K2, Q-K2; 18 K-N1, K-Q1.

Black, in the approved style of the Soviet chess school, tries to offset his loose position by active piece play; but white next pinpoints the Q-side weaknesses and sets up a decisive attack with queen and knight.

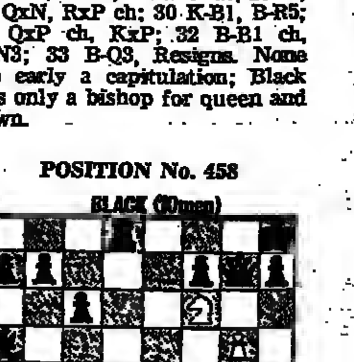
19 N-B1! K-B1; 20 N-Q3, R-Q1; 21 Q-R5, K-N2; 22 N-N4, R(Q1)-QB1; 23 NxR, RxN; 24 P-R4, Q-B3.

Black is already reduced to vague hopes of a chess swindle.

25 B-Q4, QxB; 26 RxQ, BxR; 27 PxP, R-N3; 28 PxP ch, K-R2; 29 QxN, RxP ch; 30 K-B1, B-R5; 31 QxP ch, KxP; 32 B-B1 ch, K-N3; 33 B-Q3, Resigns. None too early a capitulation; Black has only a bishop for queen and pawn.

POSITION No. 458

BLACK (10men)

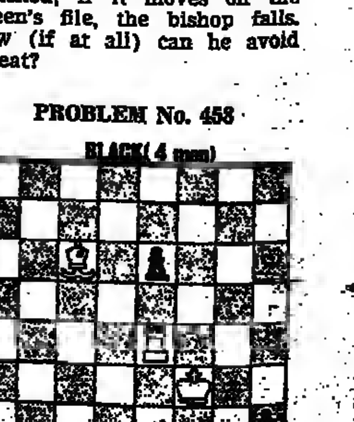


WHITE (11men)

Endzelins v. Balogh, world postal championship 1956-59. White (to move) has his rook attacked; if it moves off the queen's file, the bishop falls. How (if at all) can he avoid defeat?

PROBLEM No. 458

BLACK (4 men)



WHITE (3 men)

White mates in two moves, against any defence (by J. M. Rice, British Chess Magazine [illegible]

A buyer's market

FISHING

JOHN CHERRINGTON

I AM having one more attempt at catching a salmon this year, before I put my tackle in the Oxfam shop and call it a day. Water level permitting I shall be on the Wye in early February and probably enjoying the hospitality of some Scottish rivers later in the year. I have no great hopes of success. Last season illustrated the fundamental decline in stocks of Atlantic Salmon, and I believe the good runs that occurred in the past month or so of the season in the north were simply due to a build-up of stocks in the estuaries during the long summer drought.

That others have shared my mood is illustrated by the fact that I understand quite a few fisheries have vacancies and the sales of stretches of salmon rivers are hanging fire. Unless a miracle occurs, ownership of a salmon stretch may no longer be a sure hedge against inflation. The great mass of salmon fishers will sooner or later get the message that the fish may be there no longer.

Certainly the Greenlanders and the Faroese must take some of the blame, and I put it that way deliberately. But contributing to the general shortage is the rapacity of the offshore fishermen and the estuarine nets as well. By comparison with their efforts, the rod fishermen and even the river poachers, do hardly any damage at all. It's all most unfair because by their payments to riparian owners, the rod men effectively subsidise the keeping of the rivers and the preservation of the stocks of Parr and Smolt.

There is, as I see it, no sense at all spending good money making sure that sufficient salmon put to sea, so that others may benefit inordinately in the process. I don't know if it would be possible to make the sea fishermen pay their whack, but the estuarine netsmen should be under someone's control.

One of the problems is that the human predators are a powerful lobby in themselves. The Greenlanders are a disadvantaged people living under very harsh conditions to whom the discovery of the salmon feeding grounds must have seemed like manna from heaven. The Faroese came into the game rather late, but have made good use of the time. They have pushed up their catch of Atlantic salmon from 30 tonnes to over a thousand in about three years. This represents the extraction from the sea of more than 300,000 fish.

No one really knows what [illegible] be remarkably coy as well. But the latter have been suffering lately so the offshore fisheries must be hurting them too. In any case their rights are to some extent sacrosanct. They are working men earning a hard living who have to catch fish to live.

Rod fishermen are drawn in the main from the more affluent section of the population, one which even our present Government can hardly be said to cosset. So deliberate legislation in their favour looks hardly likely, whichever government is in power.

It must also be said that rod fishermen as a group have been rather ambivalent to the growing crisis of the reduction in stocks. No one is going to depreciate the value of his fishery by admitting publicly that the chances of catching a fish on his expensive water is getting less and less every year. All sorts of excuses are given such as drought and flood or even lack of anglers' skill. It is also in the interests of the tackle vendors and the hoteliers to go on pretending that the *raison d'etre* of their existence is still coming up the rivers in vast numbers.

The fisherman's lobby is The Atlantic Salmon Trust which, while doing the most useful work in identifying the depredations of the Faroese in particular, has I think failed us by not emphasising the decline in salmon stocks in many rivers. Only recently has one of their spokesmen used the phrase "crisis in salmon" for the first time.

In its search for funds the Trust is holding an auction by postal bids for fishing on a number of rivers mainly in Scotland, but some in Southern England and one on the Wye. Some of the beats look very attractive and would give anyone an idea of where the fortunate used to catch salmon in the days of long ago.

No prices are asked, but the owners have indicated what the rods would be worth if they were being let commercially. They range from £250 per rod on the Tay for a week, in a party of five, to £15 per day on the River Frome.

For those interested: The Atlantic Salmon Trust, 14 Downing Street, Farnham, Surrey, will send catalogues of the offer and will receive bids [illegible]

مكان الاصل

Down the lazy river in luxury

TRAVEL

ARTHUR SANDLES

SURELY THERE can be no more certain shape to provoke the sin of envy than that of a boat. Those who have one always hanker for something just a little superior — prettier, faster, more comfortable or simply more expensive. Those who do not have one forget the complications of mooring fees and refits, cold winds and choppy waters, wayward crews and awkward tides, and think instead of the implied lifestyle.

There is, of course, a half-way house, and it is one to which an increasing number of holidaymakers are turning. Boat rental, from gentle meandering along canals or rivers to island-hopping in the Mediterranean or Caribbean, is a pleasant escape from land-borne realities without the problems of ownership.

For the gentlest, and possibly most self-indulgent, toe-testing of the boating waters the hotel boats and barges that ply the waterways of continental Europe offer tempting wares.

My own introduction to the sybaritic ways of such a trip came on the *Litote*, one of the ten hotel boats operated by Continental Waterways (two on the Thames and the rest in France). The *Litote* makes her gracious way through the water of Burgundy against a backdrop of a French countryside seemingly ignored by the French themselves; foolish creatures that they are they head for the Costa Brava.

The passengers are fussed over with local wines, local foods and even a local captain — the youthful Alain Junet. A mini-bus, the one that collects you from Paris, is constantly on hand for excursions, but many prefer to leap astride the boat's bicycles or simply stroll the tow-path. With the *Litote* making scarcely four miles an hour a brisk walker can keep ahead.

The joy of the *Litote*, and her sister ships, is that once you are collected in the bus, everything is included except bar drinks (or special wines). Such pampering is not cheap. The *Litote's* main market is the U.S., and you will probably find that most of your fellow passengers are Americans, so the costings are in dollars. The fall in the value of sterling has helped push a one-week (six night) cruise up to £730, a rise of more than 40 per cent over last year, compared with less than 20 per cent more for passengers paying in dollars.

All the *Litote's* cabins come complete with shower and lavatory facilities and the total capacity of 20 passengers gives sufficient freedom of choice for the right friendships to be struck up without the necessity of being constantly lumbered with the boat bore.

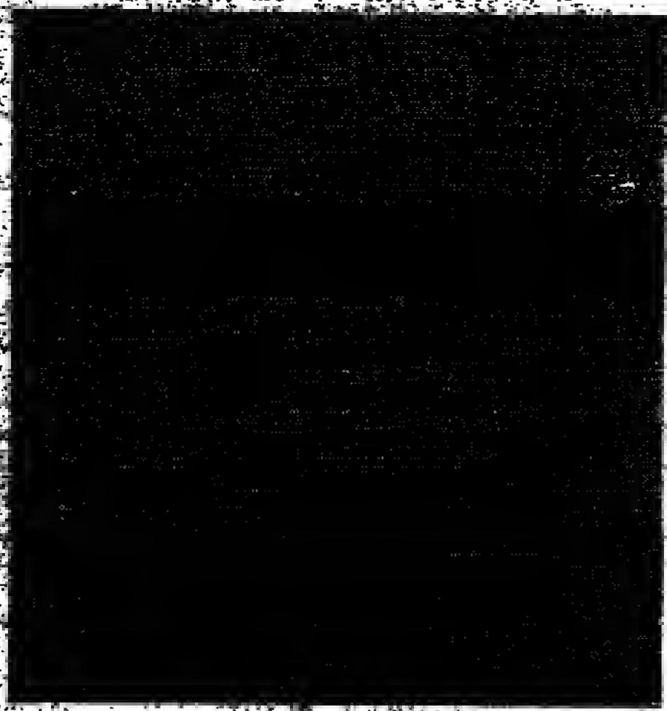
The joy of having a crew on board means, of course, that those markedly frequent features of the French canals, the locks, become part of the scenery rather than, as in self-drive boating, a question of muscular work ahead.

In sea and ocean waters the crew's skills are likely to be rather more crucial to the safety of life and limb than on the inland waterways. This is one reason why choosing yachts for charter is a matter for both care and expertise. Times being what they are I would urge anyone seeking a boat charter for this year to take care also about the stability of the company through whom the charter is being made. The world has a surplus of boats and a shortage of charterers at the moment and some charter operations will be running close to the economic winds.

Two old familiar names will still be with us this summer, however, Camper and Nicholsons and Haisey Marine, both of whom are promising glossy brochures for both bare boat (that is self-crewed) sea-going charters and crewed vessels.

With boats varying in type from small sailing vessels to huge, 80-passenger, motor vessels with cooks on board capable of running up a meal to satisfy the meanest-minded Michelin-man, sample prices are extremely difficult to offer — but expect a base of £75 a week per person at least for the simplest bareboat charter to more than £1,500 per person for air conditioned, stabilised, Cordon Bleu Riviera luxury.

Flotilla cruising offers a somewhat less hefty price tag, plus the opportunity of a holiday that is somewhere between bareboat charter and going along simply as a passenger. Flotilla cruising started some years ago in the Aegean, and has spread to various parts of the globe. It [illegible] operating individual yachts or power-boats in convoy, with an experienced crew on a mother ship doing the navigating and offering any necessary advice.



Gentle moments on the river.

The latest entrant into this field can be found in Scotland's Western Isles. Coastal Power-boat Charters reckons that its holidays are particularly suitable for people who have already had experience on such waterways as the Thames, the Shannon or the Caledonian Canal and who want to add a new dimension to their cruising ability."

Most experienced charterers are able to take out single boats. Charter rates per boat range from £190 a week to £810 according to the size of the craft and the season.

Coastal Power Boat Charters is one of the companies featured in a useful new Highland and Islands Development Board publication, *On the Water*, detailing all manner of water recreation in the region.

The biggest single section of the market for boat rental remains, obviously, self-driving on canals and rivers. For me, at certain times of year, this is the ultimate in relaxation. There is no temptation from the telephone, probably no question of other than basic shopping, no distractions beyond the kingfishers and dragon flies and no noise other than that from your own engine, and that can soon be silenced.

Even the Norfolk Broads, often regarded as the Piccadilly Circus of the waterways, can provide gentle moments — in the evenings, far from the waterside pubs (most of them are awful anyway) and in the spring and autumn, before the crowds arrive.

But each stretch of river or canal has its devotees: the grandeur of the run to Llangollen, the utter absence of other humanity on some of the French canals, the cosmopolitan sophistication of the Thames, the slick sub-tropical wonders of Florida.

Self-driving or self-indulging, at sea or inland, the waterways are still very much a world of their own.

● Further information: Continental Waterways, 127 Albert Bridge Road, London SW11 4PL. Haisey Marine, 22 Boston Place, Dorset Square, London NW1 6HZ. Camper and Nicholsons (Yacht Agency), 16 Regency Street, London SW1P 4DD. Coastal Powerboat Charters, Locharron, Ross-shire, Scotland.

For a broad range of UK and European self-crewed boats: Blakes Holidays, Wroxham, Norwich, NR12 8DH. Hoseasons Holidays, Sunway House, Lowestoft, Suffolk, NR32 3LT.

Boat Enquiries, 43 Botley Road, Oxford, OX2 OPT. Freshfields Boating Holidays, The Staithe, Stalham, Norfolk, NR12 9BX, Blue Line Cruisers, Horning, Norwich, Norfolk, NR12 8PT

For Flotilla cruising: Seven Seas Sailing Club, Rodmersham Green, Sittingbourne, Kent, ME9 OPU. Phoenix Sailing Club, 29 Thurloe Place, London, SW7 2HP.

This is not an exhaustive list. The tourist offices of France, Greece, Jugoslavia and Ireland and the Tourist Boards of England, Scotland, Wales and Northern Ireland will offer further information on boat and yacht holidays.

Obey the law and belt up!

IN 10 DAYS' time, any driver or front passenger of a car who is not wearing a seat belt faces prosecution and a £50 fine. At long last, and after spending several million pounds trying to persuade motorists to use the best crash safety device there is, the government has acted.

At the moment, about 35 per cent of drivers and front seat passengers belt up and a similar proportion are thought to be opposed to compulsion. That leaves another 30 per cent of "don't knows" who will presumably be persuaded by the law to clunk-click at the start of every journey.

MOTORING

STUART MARSHALL

Will the anti-compulsion brigade try to brazen it out or will they bow to the inevitable and—as I am sure they all do now in aircraft—obey the regulations and belt-up? The police, it is thought, will take a softly-softly approach for the first few weeks, warning the unbelted of the risk they are taking.

Then they will enforce the law, probably not so much by spot checking but by adding non-wearing of the belt when stopping a driver for an offence like speeding, careless driving or failing to obey a traffic light.

Any motorist who is still unconvinced of the value of the seat belt as a safety aid might care to reflect on Australia's experience. Belting-up became compulsory there 10 years ago.

Only two years later a leading Australian surgeon was able to tell a Zurich conference on driver behaviour that 300 per cent fewer eye injuries were being treated, facial injuries were halved and spinal injuries had dropped by one-third. In the past decade the country's car population has almost doubled but traffic fatalities have fallen by 22 per cent.

The regulations also encourage children to be seated in the rear of a car, where sensible parents have always insisted that they go anyway. If those aged 14 and under are allowed up front, they must be restrained. Those between one and 14 may wear an approved child restraint or an adult belt, with or without a booster. Infants under one year must be in an approved child restraint system.

Anyone in doubt as to the requirements of the new law can do no better than get a leaflet from Britax, the largest seat belt maker in Britain. Their 600 approved fitting stations have supplies, or you can write to them at Chertsey Road, Byfleet, Surrey (Tel.: 09323 41121).

Now moving on to the question of drink and driving, the official advice is, of course, not to drink at all if you drive and one cannot possibly argue with it.

But the fact remains that every day, hundreds of thousands of motorists, some innocently, others knowingly, put themselves at risk of being breathalysed and prosecuted for being drunk in charge of a car.

What is it like to be breathalysed, be told you are over the top and that you will be prosecuted, leading inevitably to loss of licence? This is how a professional man described it to me in a letter this week—a letter that will strike a chord, I suspect, in the hearts of many of us.

He was stopped for modestly exceding the speed limit late one night, was breathalysed and now he knows he will soon be off the road.

"Drinking and driving has been a part of my business and social life for 30 years, in common with thousands of other people like me. I drink, not for its own sake, but because it is the normal thing to do—like lighting a pipe during a meeting.

"One doesn't deliberately ignore the risk of losing one's licence but it is a bit like the thought of dying. Of course one will die, but not tomorrow—that only happens to other people. But now I am facing my death as a driver, for at least a year."

The ordeal began with hearing the words, for the first time in his life: I am arresting you.

"All of a sudden I was no longer a law abiding citizen but a man who had committed a criminal offence—not merely a man who had had a few G and Ts.

Next morning he woke up to a world that had changed completely. How could he replace 25,000 miles of motoring per year? How could he face his partners with the news?

"I have lost my freedom—the freedom to say to a client, on the spur of the moment: 'Don't worry; I'll be over to see you in an hour or so.' I know that one consequence of losing my licence will be a radical change in my life style for the duration of the ban.

"If only I had somehow experienced the consequences of losing my licence—maybe for just a week or two—I would not have had drinks and then driven."

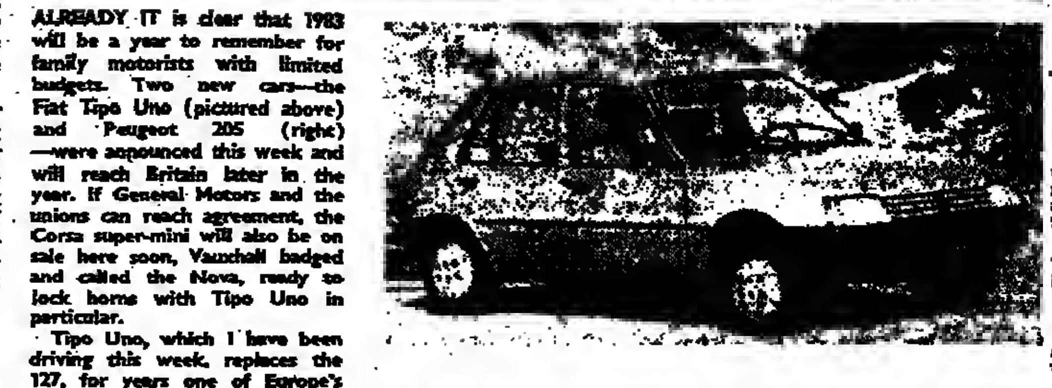
My correspondent suggests that the best deterrent to drinking and driving would be for a motorist, voluntarily and without cheating, to give up the use of his or her car for a short time. "To experience a business and social life without the use of one's own car for a week or two would be enough. Most of your readers would, I am sure, say at the end of the period: 'I have been blind—I never want to lose my sight again.'"

ALREADY IT is clear that 1983 will be a year to remember for family motorists with limited budgets. Two new cars—the Fiat Tipo Uno (pictured above) and Peugeot 205 (right) —were announced this week and will reach Britain later in the year. If General Motors and the unions can reach agreement, the Corsa super-mini will also be on sale here soon, Vauxhall badged and called the Nova, ready to lock horns with Tipo Uno in particular.

Tipo Uno, which I have been driving this week, replaces the 127, for years one of Europe's best-selling cars. It has front wheel drive, a choice of 900 cc, 45 bhp; 1,100 cc, 55 bhp; and 1,300 cc, 70 bhp engines and all-round independent suspension. Bodies are three or five-door hatchbacks and fuel consumption is described as outstandingly low. I shall be writing in detail about Tipo Uno next week.

Not to be outdone, Peugeot claims its new five-door 205 hatchback has been designed to achieve up to 65 mpg through a combination of light weight and good aerodynamics. Five different versions go on sale in France on March 10, the day after the Geneva Show opens. The 205 reaches Britain in late summer.

It has 954 cc and 1,360 cc engines and four or five-speed gearboxes from the Peugeot 104/Talbot Samba and a brand-new 1,124 cc engine, developed from the power unit of the Vera 01 experimental car. Peugeot says it is three inches longer and two inches wider than the five-door 104, which it will clearly replace before long. Officially, it fills the gap between 104/Samba and Horizon. Pricing will be "very competitive" and Peugeot anticipates that 205 will rapidly become its best seller in Britain.



A pavement café in the Champs Elysées

Taking home a slice of Paris

WEEKEND BREAK

ALAN FORREST

IT WAS a mild January evening in Paris. I was sitting in one of James Joyce's old haunts sipping a cognac and reflecting on how much he must have needed all that money from Harriet Weaver if he had to pay these prices, when I struck up a conversation with an elderly, well-girthed French gastronome.

I was telling him about the lunch I'd eaten a few hours before at Taillevant in the Rue Lamennais to celebrate Egon Ronay's TWA Guide to Business Cities. "Value the lunch, m'sieur," my new-found friend said. "It could be one of the last of such lunches." He continued and we were plunged into what "Private Eye" would describe as an "après nous, le déluge" situation.

According to him, freely translated, the death of French *haute cuisine* is just around the corner. The young people are switching to fast food more and more (I must say my one experience showed that their fast food is superior to ours) and the middle-aged and elderly are all dieting. He had refused to discuss *nouvelle cuisine*, which had already taken a battering from Mr Ronay in the introduction to his new guide.

It was a bloody start to an evening in Paris, coupled with a bill of about £30 for four cognacs, [illegible] from then on, and I can recommend a winter weekend in Paris, providing you don't expect to spend less than you would in London if you are interested in the flesh pots.

Because of a few commitments, I was a prisoner of the Right Bank, admittedly expensive, but with some surprising areas of cheapness. There are little bars around the Opera where an omelette and s[illegible]d for around £3 is the food of the gods and sometimes cheaper than a sandwich. The French are not very good at sandwiches, anyway.

I'm not trying to lay down the logistics of a gastronomic weekend, but simply pointing out that on two days when a lot of the classic restaurants just don't open, you can do pretty well. The real dividend for me was being able to string out a weekend in France to about five days by taking a lot of good food home with me.

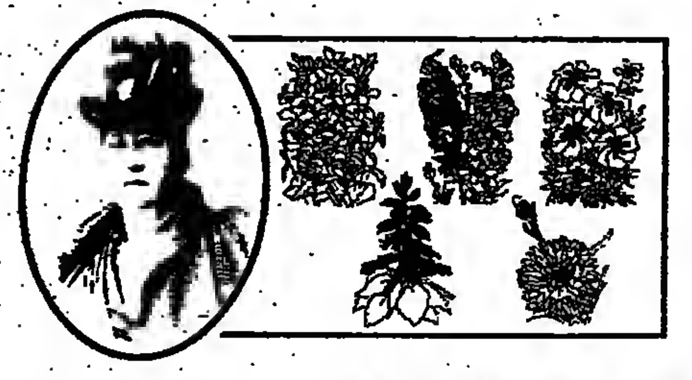
[illegible] Paris on a Sunday morning is not exactly a swinging city, but if you shop around you can take goodies superior to anything you would buy in London, and I'm including shops such as Harrods and Fortnum's.

One place I recommend is *Drugstore Opera*. It looks a bit space-age and un-French from the outside, but inside all the fare is there. The collection of pâtés, terrines, mousses, quiches, cheese and fruit sloshed in alcohol, is splendid. I picked up a selection for about £15 and several bottles of excellent wine for £17—and the shopping area at Charles de Gaulle Airport just couldn't have competed.

There are more such places if you wander about (and what's better than wandering about Paris?), notably a superb charcuterie in the Place Vendôme which stays open until around 7 pm on a Saturday. My purchases have meant that my wife and I have been living for three days in Shepherd's Bush with the real taste of France.

Back to the lunch at Taillevant. It proved that French cuisine is still alive and well. Particularly when the chef was called in to be applauded, then criticised by the president of the French society of gastronomes, and stood up and took

Bedding out with Miss Jekyll



GARDENING

ARTHUR HELLYER

"THERE ARE two main colour schemes in gradations of reds, and of whites and yellows respectively. In the red portion the front is chiefly geraniums, Paul Crampel for the strongest red. Next . . . is put one of the softer reds . . . and this leads to the fine salmon coloured King of Denmark and then to the paler salmon pink Mme Lemoine . . . plants for the back being three varieties of red-flowered cannas one of them with well-coloured red foliage . . . with these are then drifts of gladioli . . . the best of the orange-scarlet dahlias, both the large-flowered and pompom kinds, scarlet penstemon, alonsoa, Lobelia cardinalis and . . . Salvia Pride of Zurich."

I wonder how many readers will recognise this as a quotation from Gertrude Jekyll's description of her own garden of summer flowers which appears in one of her most famous books, "Colour Schemes for the Flower Garden" first published in 1908 and last year reissued by the Antique Collector's Club with several other Jekyll books? The image of the Surrey school of garden makers, of which Miss Jekyll was the leading member, is of advocates of gentle colour schemes and mainly hardy perennial plants and shrubs but that is only part of the story.

Miss Jekyll was exceptionally catholic in her attitude to plants, accepting them on their own merits as she saw them and totally uninhibited by the opinions of others or the fashions of the time. She used bedding plants freely when she had use for them and in the chapter from which I have just quoted she goes on to extol the virtues of African marigolds, which she planted between yellow cannas and white *Lilium longiflorum*.

The descriptions are of her own garden at Munstead Woods where she grew a lot of bedding plants in a garden enclosed by walls and shrubs with a central raised spine planted with yuccas and *Euphorbia wulfenii*. Around this the bedding plants were grouped in narrow, slanting drifts, as she was accustomed to arrange herbaceous plants though without the justification she used for them that, as one kind passed out of flower, another would grow up and conceal it. For half the merit of bedding plants is that, being mostly subtropical in origin, they continue to flower for many months and so need no such concealment.

Studying Miss Jekyll's planting plan I find it difficult to believe that it would seem pleasing to most gardeners today who would probably prefer to plant in broader masses or to intermingle plants more in[illegible] medium-size zinnia Yellow Ruffles being mixed with deep lavender blue *Salvia farinacea* Victoria at Wisley a year or so ago.

Yet it is comforting to have Miss Jekyll's endorsement for liking bedding plants in the right places and one wonders what use she would have made of the much greater variety available today. She only mentions three African marigolds, a deep orange, a middle yellow and a primrose one and she says nothing at all about French marigolds which perhaps were not available in good varieties when she was writing. Today they, and the hybrids between them and African marigolds, seem more congenial in colour and flower form than the pure Africans which have become gross from over-breeding. I doubt that any better marigolds have been produced for garden display than Naughty Marietta, with single yellow and bronzy-crimson flowers and Honeycomb which repeats this colour scheme in a neat, fully double flower. But breeders go on producing more and more variations on similar themes such as Dainty Marietta, Spanish Brocade and Queen Sophia, all very effective plants.

Miss Jekyll was also fond of antirrhinums though it seems to have been mainly the tall varieties that she grew. Nowadays these are chiefly valued for cutting and it is the intermediate and dwarf varieties that are popular as garden plants.

In a reconstruction Jekyll-type planting that I saw last summer, pink and white intermediate antirrhinums were used very effectively in combination in one set of formal beds (the garden was originally designed by Lutyens, hence the regularity of shape) and in another part of the garden pink, white and blue petunias of the Resisto type appeared. Miss Jekyll only mentions white petunias in [illegible] Flower Garden" but I do not think such good varieties as we now enjoy existed in her day. Petunias have certainly been over-produced these past 30 years but the result has been the survival of the fittest and for use in British gardens this certainly gives the Resisto varieties, with their quick recovery from rain damage, a high place.

Miss Jekyll also had a high regard for dahlias and I think would have been delighted with our modern small and medium-size decorative and cactus varieties as well as with the good seed strains which can now be produced so easily and cheaply. Almost all types can be raised from seed, including the charming collarette dahlias with broad outer petals and an inner ring of small petals, often in a contrasting colour, surrounding the central golden disc. Dandy is the variety I have grown and it has the additional merit of being quite short, about 2 ft, and so requiring no support.

It is also interesting to find Miss Jekyll planting begonias, though not in her bedding garden. She describes them growing in a narrow border backed by shrubs and amid a ground work of bergenias (she uses the old name *Megasea cordifolia*) to surround groups of from five to nine plants. She says that the solid leaves of the bergenias give the begonias a better appearance and make their bright colours even more vivid. Clearly she is referring to tuberous rooted begonias, not *Begonia semperflorens*, for she describes their use in a sequence of colours, yellow, white, palest pink, full pink, rose, deep red, deep rose, salmon rose, orange scarlet, scarlet, red lead and orange.

One of Miss Jekyll's favourite foliage plants was the golden feverfew, *Chrysanthemum parthenium aureum*, a plant that spreads rapidly by self-sown seed once one has it but may be difficult to acquire in the first place as no one seems to stock it. In her bedding plant garden it bordered the path in front of white lilies with yellow cannas behind against a background of the largest yuccas on the cen-

Eve's man

BY ANTHONY CURTIS

The Life of John Milton
by A. N. Wilson. Oxford. £9.95. 278 pages

A. N. Wilson edits the literary section of the Spectator. He is also the author of several novels, the most recent *Wise Virgin* appeared last autumn. Reviewing it on this page, Martin Seymour-Smith wrote: "A perceptive study of a blind man of a certain sort . . . in its unobtrusive complexity a very skilful moral tale." Mr Wilson also writes biographies. His study of Scott, *The Laird of Abbotsford*, appeared in 1980, and he is currently preparing a biography of Hilaire Belloc. In the meantime, published this week, is Mr Wilson's biography of *John Milton*.

You could describe it in precisely similar terms to those used by my colleague of Mr Wilson's last novel: "A perceptive study of a blind man of a certain sort . . . in its unobtrusive complexity a very skilful moral tale." Indeed the connections between the two books are too striking to be pure chance. One may guess that what happened was, while Mr Wilson was working on the biography he became so absorbed in the imaginative task of trying to fathom the interior life of a blind man of genius, monstrous egotism and stubborn integrity, he decided to place such a man in a contemporary setting at the centre of a novel, which then happened to be published first.

The hero of the novel, a scholar of mediaeval English literature, was called Giles. Milton lived in a cottage in Chalfont St Giles for a while in 1665 to escape the Plague; he was buried like his father, old John Milton, the scrivener and musician, in St Giles, Cripplegate, the one genuine piece of Miltonic London you can still see in the Barbican, where Milton lived for a time.

What's in a name, you may say? But the connections go deeper than mere names. Both men, the fictive and the historic, become progressively blind with a great literary work, for which all else is but a preparation, still incomplete. Both marry thrice, the third time to a woman their intellectual inferior, but with whom they experience for the first time an enduring love.

Whether the notion that *Wise Virgin* is totally mirrored in the image of the biography will on closer inspection stand up, we may leave to Wilson buffs of the future. What is immediately interesting is the way Mr Wilson has constructed this biography like a novel. Of course the life of Milton, unlike that of many writers, even if one had never read a word of his poetry, is a wonderful and moving story. Here was a boy from a moneyed background growing up amid the last vestiges of Shakespeare's London, who lived through the period of the Civil War, through the Protectorate, and into the London of the Restoration, of the Plague, the Fire, the world of Evelyn and Pepys. Moreover, his own career during this turbulent period traces the hubristic pattern of one of those classical or biblical heroes he mythologised with such baroque grandeur. The precocious, pretty schoolboy and undergraduate, not at home at Cambridge, turned into the versifying courtier-scholar, who then became the very much *engagé* polemical scribe undermining through savage rhetoric the punitive authority of Laud's bishops. And the last age of all? Sans eyesight, sans possessions, sans status, but with *Paradise Lost* safely dictated, his difficult daughters off his hands, and the serene autumnal marriage to Elizabeth Minshull.

Not only is it an enthralling story; it is one of huge proportions. It once sprawled over the seven weighty volumes of Milton's Scottish Victorian biographer, Masson, now unread on many library shelves. Mr Wilson skilfully reduces it all to the compass of a novel without undue distortion. He is fortunate here too, in that Milton was the first major English author to live in an age of written memoirs (unlike Shakespeare earlier in the 17th century). There are contemporary memoirs of Milton by his nephews, whom he personally educated, as well as by later friends and disciples. There is the huge collection of Milton's life records published by Yale University for a biographer to draw on. And there is Milton's own voluminous writing not only in verse but also in prose, in Latin as well as in English.

Milton—from a contemporary portrait. The author of "Paradise Lost" is the subject of a new biography reviewed today

The obvious connections between the English Civil War and the war in heaven depicted in *Paradise Lost* do not escape Mr Wilson's attention alongside those more inward "self-transformations," as he aptly calls them, between Milton's life and his art. Mr Wilson wisely avoids making crude identifications. Samson and Dalila are not merely Milton and his first wife writ large, but Mr Wilson does see, as others have, a deeply personal significance in the sense of vocation at last fulfilled in *Samson Agonistes*.

Mr Wilson is scornful of the fictional efforts of Robert Graves in his *Wife to Mr Milton* to fill in the gaps which do still exist, in spite of the abundance of biographical material, in our understanding of what exactly happened between Milton and his young bride, Mary Powell. He married her on an impulse, love at first sight, while he was on a visit to her parents at Stanton St John near Oxford to collect a family debt. We simply do not know why she returned home so soon after the marriage, though the reason why she remained must be related to the fact that the area was a royalist stronghold in the civil war. At any rate her absense prompted the first of Milton's writings on divorce.

Here, as he does consistently, and sometimes rather tortuously, throughout the book, Mr Wilson acts as an apologist for Milton, and he puts the most honourable interpretation he can find on his behaviour. Mr Wilson often backs his interpretations with judicious selections from Milton's prose, which now appears to be much more readable than it did in one's undergraduate days, and also from his copious body of verse in Latin, *terra incognita* to many of us.

Milton's recogniton as a poet by Italian humanists and scholars was in advance of his recognition in his native land, and we have an agreeable chapter on his visit to Florence and meeting with Galileo. Another shows us Milton in the first flush of his gift, writing a masque to be performed at Ludlow Castle, to music by his friend Lawes. But for the most part the biography is London-based. Milton spent many hours of his life in his study in places like Bread Street, either writing poetry or poring over state papers as Cromwell's Latin Secretary.

The poetry is quoted and dissected only as it seems relevant to the life. Mr Wilson seems completely uninterested in the great debate about whether Milton really was a great poet that has raged in the universities over the past half century. The greatness of Milton as a poet be takes for granted and, avoiding the task of assessment, Mr Wilson concentrates his skill and insight on breathing life into the biographical narrative, a task which he performs remarkably well.

Home thoughts

BY MALCOLM RUTHERFORD

By Safe Hand: The Letters of Sybil and David Eccles, 1939-42
The Bodley Head. £16.00, 432 pages

In November 1940 David Eccles wrote to his wife Sybil from Madrid:

"I think that your description of Wiltshire in war and mine of a mission abroad would make an amusing duet, and that we must string them together."

There are a few other faint intimations that Eccles thought that he was doing more than just writing home. A few months later he wrote to Sybil from Washington: "I love your letters, you are writing better and better, don't strain yourself to keep up standards, just go on as you are." At the time when the marriage was most under stress she wrote to him that it was "despite the best letters in the world."

Or was it because of? Eccles responded:

"I had a moment's panic that you might think I was trying to buy you off with letters."

Now that the correspondence has been published, however, it emerges as much more than an amusing duet. It is full of passion and history. One letter from her to him gives a more searing account of the disenchantment of married love from the woman's point of view than you are ever likely to come across. The Woman's Page of the Guardian looks adolescent by comparison.

Receipt of that letter determined Eccles to give up his job at the Ministry of Economic Warfare and return to England. He became a Conservative MP and subsequently Minister of Education, the post for which he is best known; then Minister for the Arts. His wife and he made it up more or less on sight and lived happily together again till Sybil died in 1977.

There is a striking parallel with Susan Crosland's biography of her late husband Anthony. These are the only two books by people involved in recent British politics which openly admit the existence of sex, and approve of it. Both, in their way, are love stories.

There is a lot more. Eccles was a successful businessman in the 1930s, and chairman of a company which built and ran a railway in Northern Spain. He was picked for the MEW, an offshoot of the Foreign Office, because of his knowledge of the area. His task was to deal with the neutrals, Spain and Portugal, and to try to make them neutral on the British side.

He seems to have developed a remarkable range of contacts, both at home and abroad. The French Ambassador in Madrid was Marshal Pétain, the old military hero, subsequently leader of Vichy France. ("Veni, vidi, Vichy," as Eccles records.) Eccles became a confidant and an admirer, as he did also of Salazar in Portugal. In one letter the latter—"so beautiful to look at, so fascinating to talk to"—is compared to Maynard Keynes, though there were other times when Eccles clearly opposed his fascist views.

Essentially, Eccles urged upon the British Government that neither Spain nor Portugal were basically pro-German, and ought to be wooed. He said the same thing later about Pétain in France, and was distinctly hostile to the emergence of de Gaulle.

That was not then the conventional wisdom, nor is it now. But it is a shadowy period about which we still know too little. One of the most perceptive remarks in Eccles's letters is when he wonders whether the true history of France after 1940 will ever be written. Another notes the venom with which France and Spain hate each other.

"Shadowy" is perhaps the key word, despite tantalising insights. Only half the letters have been published, and it is not revealed where there have been cuts in those which have. Having gone this far, Lord Eccles should be persuaded to write a fuller autobiography. He was not a conventional Conservative Minister of the modern type.

Realms of rolled gold

BY ROBIN LANE FOX

Daphne Into Laurel: Translations of classical poetry from Chaucer to the present
edited by Richard Stoneman. Duckworth. £24.00. 330 pages

Sophocles: The Theban Plays
translated by Robert Fagles. Allen Lane. £14.95. 408 pages

"A great age of literature," wrote Ezra Pound, "is perhaps always a great age of translation, or follows it." Richard Stoneman has assembled a wide range of verse-translations from Latin and Greek and has prefaced them with brief remarks about the authors and each period. The result does much credit to his own scope and taste. There are modern anthologies of every sort of verse, but few, I think, of translations. His book would grace any library, were it not so ferociously priced. It has the expense of a few footnotes, but only on the first 30 pages.

Mr Stoneman claims that translations are not judged fairly. They can contain an author's best work. Justly, he distinguishes free imitations from translations which are done for a purpose, usually religious, or as a tribute to an admired model. I cannot think of a very close and literal translation which rates as more than the best work of a mediocre author. Imitations are another matter, and I left his collection with a respect for Marlowe and an admiration, as always, for Dryden, Pope, and Housman. Chapman's Homer, he thinks, is "one of the great neglected works of English literature." Keats might have agreed; but I do not. I also like Cory's "They told me, Heraclitus . . ."; and Richard Crashaw's attempt at Catullus.

On the way he brings out some interesting points. In the Elizabethans' busy age of translation, little was done by University teachers, much by men of affairs, especially lawyers. Translations are still left to amateurs, not scholars who argue about the reading of half a dozen lines in a text. I am always surprised how little was done for the Greeks, except Homer, until the mid-18th century. There was no English Aeschylus until 1777, and no serious attempt at Pindar until 1749.

The classical influences on English style had been Latin. The Elizabethans made straight for the Latin authors of point and rhetoric, Seneca, Horace and Ovid. They honoured the two giants, Homer and Virgil, but I wish they had known more early Greek lyrics. Our written language was shaped by this selective contact. We cannot exaggerate what Horace and Ovid did for us. Georgian literature is inconceivable without this Roman moulding, but it killed our chances of expressing the tone of the Greeks. We approached them through a veil of Latin, and not even Shelley's genius always threw it off. Had the Greek tragedians really written like Swinburne, we might have recovered them eventually.

Are we living today in one of Pound's "great ages" of translation? Mr Stoneman thinks we may be, but there is a difference between great efforts and great poetry. The former are our fate. Free imitations continue, but they have a stridency and a lack of grandeur which causes a double damage. It puts one off them, and also off their originals. Peter Porter's heartiness quite upset my enjoyment of Martial. After Tony Harrison's ghastly *Oresteia* I have vowed one of his blood-grudges against any evening with a Greek play whose translation I have not read. "God-stones" and "she gods" now haunt my Greek text in Harrison's awful rhythms, just after I had freed it from Frederic Raphael's vulgarities.

There have been exceptions; and although Mr Stoneman finds only 20 pages of quotable poetry, I agree with his choices. I have been greatly moved by Christopher Logue's first versions of the *Iliad*, recently collected as *War Music*. They overplay their tricks, but they have nobility and pathos nonetheless. For the rest, we have versified cribs. It depresses me that each new round of them, Lattimore and Michie, Day Lewis and MacLeish, is hailed by reviewers as "brilliant." Our pathetic schools have robbed us of Greek and Latin, so we keep up our spirits by hailing each flat-footed version as if it were a masterpiece.

Robert Fagles's rendering of Sophocles' *The Theban Plays* is hailed by advance critics as just such a glory of our generation. There are no "she-brides" and "god-spots," and if you do not know the plots or the plays' arguments, you will not suffer by buying it for the family. Sophocles is said to have written his *Oedipus at Colonus* when over 80, and I prefer it to the earlier Oedipus which Freud totally misunderstood. Mr Fagles catches most of the Greek's force, but its metaphor and word-order tend to elude him. I cannot call it more than tolerable verse. At random:

"If, in the present crisis, he thinks he suffers any abuse from me,
Anything I've done or said that offers him tha slightest injury,
Why, I've no desire to linger out this life, my reputation a shambles."

I could cap this on most pages, yet critics hail it as "very special," "rigorous, yet powerful," "real English." We kid ourselves. Out of the age of Fagles will come more readers who respect Sophocles' brilliant plays, but no new burst of English literature.

Dance, little lady . . .

BY MADGE GARLAND

Those Dancing Years
by Mary Ellis. John Murray, £9.95, 174 pages

Mary Ellis, who was born in New York but spent most of her life in England, was endowed with two outstanding gifts: beauty and a fine singing voice. Both are expendable: time is bound to diminish beauty and even the strongest voice does not last as long as its owner. Mary had a third gift, a very Cinderella among such glittering prizes: an insatiable desire to enlarge her horizons. She says that there is never enough time to read everything, see everything, hear everything, learn everything; it is her unceasing interest in all that is happening not only to herself, but to the whole world, which makes her still vibrant, still beautiful, at 80.

Over more than half a century, she brought total commitment to a career which ranged from singing at the Metropolitan in New York with Caruso, to London's best musical in Drury Lane, partnered by Ivor Novello, to stardom in Hollywood and to serious drama. The discipline and hard work behind each performance, whether singing, dancing or acting, was never apparent, never noticeable; it appeared to be the natural expression of her talent.

Her book will be invaluable to all those interested in this century's theatrical history; it is well documented with the dates and places of the productions.

Books do furnish a Room

A great many entries have been received for the Literary Competition announced on Christmas Eve. These are now being judged. Names of winners and a full report will appear next Saturday.

Crimes

C. B. Greenfield: No Lady in the House by Lucilfe Kallen. Collins, £6.75, 230 pages

C. B. Greenfield, his girl Friday (and Watson), Maggie Rome and their eccentric local newspaper make a fine basis for slightly acerbic crime stories. The author has the well-to-do suburban scene in America at her fingertips. This time, however, her bravura occasionally runs away with her, and there is some over-complication. It is difficult, now and then, to keep all the large cast of characters sorted out (rather like reading a 19th century Russian novel). But the book is good fun, all the same.

All Part of the Service. by Martin Russell. Collins. £6.50. 178 pages

Martin Russell gets better and better. In this book tha complex central figure is a Miss Lonelyhearts character, writing on a Glasgow newspaper. The city and the protagonist are described with sympathy and clarity; an eerie tale, ending in a well-managed scene of suspense.

WILLIAM WEAVER

Fiction

Highsmith shifts to a fresh tack

BY MARTIN SEYMOUR-SMITH

People Who Knock on the Door
by Patricia Highsmith. Heinemann. £7.95. 306 pages

Cal
by Bernard MacLaverty. Jonathan Cape. £6.95, 170 pages

Patricia Highsmith is now best known as the creater of Ripley, tha murderer we all hate to love. Before that she was known as the writer of some of the most powerful and disturbing crime novels of the century, and it is hardly surprising that she should have been classed with Simenon (though she is entirely different). Here, unequivocally, is a writer who produces something more than crime novels.

When she abandons crime she is weak, or unexpectedly whimsical, as in *Miranda the Panda Is on the Veranda*, which she wrote for children with Doris Sandars (1958). It seems as though Miss Highsmith requires the presence of crime, at least as a catalyst, for the release of her odd powers.

In ... abandoned crime (after the splendid *The Boy Who Followed Ripley* of 1980). The result is almost catastrophically frustrating. There is a crime; but the author seems to deliberately play this down, so that it comes as flatly and as uninterestingly as a newspaper item. What is lacking—and this is surprising—is suspense.

Tha novel is set in a small town in Indiana. The Alderman family is father, mother, and two teenage sons. The father becomes a born-again Christian; so does his younger son. The elder son, more liberal and more intelligent, finds himself increasingly at odds with the others. Attempts by the Church to interfere in his love-affair with a fellow-student do not help.

This is sociologically interesting material, and the climax is psychologically plausible. It cannot be said that at any point the treatment is less than acute and intelligent. Yet the novel is distinctly less readable than any other of Miss Highsmith's (except, perhaps, for *The Tremor of Forgery*). For once the deliberate unsensationalism ... Somehow the people of the Church, in particular its guiding spirit, seem so preposterous that they are not interesting.

Miss Highsmith, in the character of Arthur, the alderson, may be trying to portray an amorality subtler than that of Ripley, but she seems to me to have failed to supply, for once, a convincing psychological context. Born-again Christianity is a fascinating phenomenon; but for a novelist who has said that she tries to "explain" criminal behaviour, there seems to be a lack of explanation of anything here. The action is simply plausible.

Bernard MacLaverty lives on an island off the Scottish coast; he has written one highly praised novel, *Lamb*, and two books of short stories. In *Cal* he has written his best book yet, fulfilling the promise of his earlier work.

Cal is obsessively in love with a library assistant called Marcella. This book is set in Ulster; there are complications. Cal has been a terrorist. He wants to escape from his past but cannot stomach joining his father in his work in a slaughterhouse, and so he ... resistance, a feeble but (as tha novelist well demonstrates) understandable defiance of his past. His terrorist colleagues do not make things easy for him—one, Skeffington, is a superb and memorable portrait of a sadist, all the more forceful for having no moral overtones. Cal is tormented because he cannot tell Marcella the secret of his past: he is not quite sure whether she would tell the police, which would mean that he would be imprisoned for many years.

This is no partisan novel about Ulster. It is politically neutral: it is only human, which means humane. It is quite the best thing I have read, in prose or poetry, about this difficult and unhappy part of the world. Because it is non-partisan, it is worth one hundred discussions about the problems of Ulster. Mr MacLaverty shows us what it is like to be human, to have remorse, and to live in Ulster. His prose is lucid and confident; its bleakness is wholly appropriate for a heart-rending story. I recommend this to those who enjoy high-quality fiction—and to anyone who wants to know

هكذا من الأصل

HOW TO SPEND IT

by Lucia van der Post

Walk-on parts

MOST PEOPLE know the traditional Numdah rug — it has for years been one of the staple ingredients in inexpensive furnishing, offering as it does a classic, attractive design at very inexpensive prices.

John Lewis Partnership had the bright idea of asking Veronica Marsh to design a collection of four co-ordinating rugs exclusively for its department stores. It liked the old-fashioned characteristics of the rug but wanted something a little less predictable and less widely-known so as to be able to offer customers alternative designs. Veronica Marsh's designs are charmingly in keeping with the traditional feel of the rug — sketched above is one of my favourites. The other four designs are all in similar vein and all come in four different colourways. There are also three different sizes — 3 ft by 2 ft is £6.95, 4 ft by 3 ft is £14 and 6 ft by 4 ft is £25.50. These rugs, like the traditional Numdahs, are all made from 50 per cent wool fibre and 50 per cent cotton fibre which are felted together, giving that distinctive texture. All are hand-washable, and would be equally attractive hung on the wall.

Every picture tells a story

MOST OF us tend to think of stained glass as an art linked to the medieval and ecclesiastical. However, there has, in recent years, been a great revival of interest in it and nowadays several young artists are producing work that is as lively, up-to-date and all-embracing in its themes as paintings, sculpture, weaving and other more obviously modern arts and crafts.

Some of the most enchanting new designs that I've seen are done by Anna Slovsky, a young Australian artist now married to an Englishman and living over here. She studied History of Fine Art academically in Australia before taking a course in stained glass techniques at the City Literary Institute.

What she most likes doing is special commissions and there is almost nothing like a special piece of stained glass to give the most ordinary of houses character and individuality.

Shown here are just two of her works. Top left is a panel she did for her own laundry door — in charming colours (pinks, blues, yellows and white) it graphically points out the function of the room and at the same time is as decorative a focal point as any picture.

Top right is a small panel made from antique glass and featuring some very pale pinky-mauve roses with green leaves.

Prices for the stained glass vary according to the design and sort of glass used but a panel about the size of the laundry piece (which is about 18 ins by 2 ft) starts at about £40, while the roses would be about £50. Anna Slovsky has a selection of panels at home which readers can view and which sell from about £20 but she prefers to design a piece specially for a particular room, window or situation.

Stained glass, however, isn't all she does. Though it was her first love, when she made a return visit to Australia last year she saw some exciting things being done with fabrics and she embarked on what she calls her fabric pictures. Again, she prefers to do special commissions—for instance she has just produced a fabric picture of a man working in his conservatory (she took great care in choosing the fabrics so this one cost £160).

Probably the most popular commissions of all, are people's front doors, like the one shown photographed right. These are roughly 3 ft by 2 ft and the price varies depending upon how elaborate the design is—they start at about £40.

Anna can be contacted at 26, Stockwell Park Crescent, London, SW9 (01-733 4500).

Taking the strain

IT is not often I consider giving house-room to any new gadgets—I believe that a few things that do their job well are worth any number of fancy accoutrements—but the new Swish jug is something I would gladly find space for. Made from sturdy PVC in pale cream with a khaki lid and handle, its main usefulness is due both to its ample size (it holds four pints) and the fact that it has three different filters which can be used to strain the liquid it holds. Swish Products, which makes it, envisage that it will chiefly be used for straining and storing cooking oil (it is tough enough to withstand temperatures up to boiling point) but could be used for straining any liquid that needed it. In gift shops and hardware shops now, it is £7.73.

Frozen security

ANYBODY who has a freezer can well imagine what it would feel like to find the entire contents dissolved in an unspeakable mess simply because they had failed to observe the light alarm that signals a fault in the temperature system. For those with freezers in very accessible places it is less of a problem but many of us keep them in less frequented rooms—like garages and sheds. What these freezer owners need is an audible alarm that they can be sure of hearing.

MCA Electronic Controls has brought out an audible alarm specially for people like them. It is a small (140 mm by 70 mm by 50 mm) oblong-shaped box which can be placed anywhere up to 100 metres away from the freezer itself. When the temperature in the freezer rises above the set level (normally −8° centigrade) the alarm sounds in whichever room (normally the kitchen) it has been placed.

The temperature sensor lead can vary in length from 10 metres to 100 metres and can be laid rather like standard bell-wire, along skirting-boards where it can be well concealed.

The alarm is battery-operated and the only problem I can foresee is how on earth one will remember to check the battery from time to time—normal life is about one year.

Available direct from MCA Electronic Controls, 22 Arnside Road, Waterlooville, Hampshire PO7 7 UP for £13 including postage and packing.

GAME FOR A CHANGE

BY JULIE HAMILTON

JANUARY 31 is the end of the pheasant season, as far as shooting them goes. Fresh, well hung pheasants could still be available in the shops up to February 10. Traditionally the price comes down after Christmas, so now is a good time to buy, cook and freeze for a later date.

It is possible to draw the birds and freeze them unplucked if you do not have the time or inclination to pluck them.

If you live in the country you probably have contacts with the local shoot and will know that it works out much cheaper to buy in quantity from the shoot direct.

If you live in town or do not have such contacts, it is well worth bargaining with your local butcher. There have been a lot of birds around and this should bring the price down. But as pheasant is still regarded as a luxury, as well as an acquired taste, it does not immediately spring to mind as an economical form of food, which it can be, especially when entertaining.

I love pheasant, and best of all I like it well hung and simply roasted, served with a gravy (not a sauce) made from deglazing the really gamey juices in the pan with a little wine or sherry.

I normally stuff the cavity with half-lemons after rubbing the birds all over with them. Take a piece of fat bacon and a double piece of foil folded to cover only the breast. Put two glasses of wine and one of water in the roasting pan with plenty of seasoning and thyme, if you like, and cook in a very hot oven for about 30 to 40 minutes, depending on the size of the birds and how many you are doing at once.

Remove the foil towards the end of cooking to allow the breasts to colour slightly. Cooked this way, I have never found pheasant to be dry, a complaint so often heard that the stewing or casserolling of the bird seems to be more popular.

POTTED PHEASANT

If you manage to buy really cheap birds you may find that some of them are older pheasants. If so, take the cock bird and make sure it is really well hung. Then "pot" it as they did in Victorian times. Potted pheasant makes a marvellous hors d'oeuvres, will keep in the 'fridge for a month or can be frozen. It can be made in small, individual pots or in a large one. Wonderful for an easy lunch or supper—or even fresh from the freezer for a dinner party in the spring.

1 large old cock pheasant; approximately 8 oz butter; 2 tablespoons sherry; 1 tablespoon wine vinegar; 1 sprig rosemary; plenty of salt and freshly ground black pepper; a good pinch or two of allspice; 1 teaspoon lemon juice; clarified butter.

Rub the plucked and drawn pheasant all over inside and out with the salt, pepper and allspice. Choose a heavy pan with a very well fitting lid and place the bird and the rosemary in it. Melt one oz of the butter in a small pan, add the vinegar and sherry to it, bring quickly to the boil and pour at once over the pheasant. Cover tightly and cook over a low heat or in a slow oven for approximately 1 to 1½ hours until the bird is tender.

Remove bird from the pan. When cold cut all the meat off the bones and weigh it. Then mince it or chop it very finely (Magimix is ideal for this). Now beat in the butter which should weigh approximately one-third the weight of the pheasant meat.

Season with the lemon and more salt and pepper if required (a few green peppercorns would be nice if you had them). Fill the pot or pots, pushing the mixture well down. Seal with clarified butter. Allow to stand in the 'fridge [illegible]

BREASTS OF PHEASANT
serves 4 (or 8 modest eaters)

I personally do not cook for the freezer but should you want to freeze this recipe it would make an excellent dish to serve for guests when time is short. You could freeze it uncooked, partly cooked or completely cooked and ready to serve. As this dish requires only the breasts of pheasant you can make a terrine, pate or even soup from the rest of the birds.

4 large pheasants, plucked, drawn and well hung; 2 tablespoons dried mushrooms; 1 teaspoon whole grain mustard; ½ pint single cream; approx 3 oz butter; 3 tablespoons white wine; 8 thick rashers of fatty bacon very finely chopped; juice of 1 lemon with 1 teaspoon honey dissolved in it (gently heat it to do this); 1 dessertspoon finely chopped thyme.

Remove the breasts from the bone and place them separately between layers of greaseproof paper and, gently, slightly flatten them by banging with a small, heavy saucepan. Cut eight pieces of foil to just over double the size of the flattened breasts. Soak the dried mushrooms in the wine to rehydrate them.

Melt the butter in a large frying pan and fry each breast for about two or three minutes, turning frequently and placing each one on the foil as you remove it from the pan. Put one rasher of finely chopped bacon on top of each piece of meat, dribble the lemon and honey over each, sprinkle over the chopped thyme, season with plenty of freshly ground black pepper.

Fold the foil over to make a tightly sealed parcel. (You could freeze at this stage but you would have to make the sauce when you intended to serve. To do this deglaze the pan with one of the tablespoons of wine and store or freeze the resultant basis for the sauce.) [illegible] foil and allow the chopped bacon to brown and crispen a little. Place each cooked breast on a large hot serving dish and surround with the sauce you have made before you grilled the breasts (as follows).

Tip the mushrooms and wine into the frying pan when you have removed the last breast. Stir well to deglaze, add the mustard and cream, stir and bring to simmering point. Cook until reduced and slightly thickened, adjust seasoning. Serve with Italian rice or even tagliatelli verdi and a salad.

PHEASANT POT ROAST
serves 4 to 6

If your pheasants are really old birds, third year perhaps, it really is necessary to casserole or pot roast them (or make a terrine, as in the recipe given on this page, December 19, 1981). You can tell an old cock by his spurs; in his first year they are short and rounded, in his second they are short and sharp and in his third they are long and sharp. Hen birds are harder to age but as they are more tender than the cock it matters less. First year hens have a pale plumage and softish feet—beyond that I cannot help.

I prefer pot roast which is better suited to the second year bird than the third. The third year bird is really only worth the trouble if it is so cheap that it is virtually free.

2 second year pheasants; 3 oz butter; 1½ oz lard; 1 tablespoon paprika; 1 teaspoon wine vinegar or lemon juice, 2 tablespoons brandy; 1/3 pint good poultry or game stock; salt and pepper.

Melt the butter in a large frying pan and brown the whole pheasants on all sides. Warm the brandy and pour it over the pheasants. Light it to flame them. Transfer the birds to an ovenproof pot with a very well fitting lid. Add the lard to the frying pan and heat it. When very hot, remove from the heat and stir in the paprika and add [illegible] birds, season with salt and pepper and cover. If the lid is not a perfect fit, seal with foil or a flour and water paste.

Cook in a preheated oven at gas mark 4 (350F) for about 1½ hours until tender. Remove the birds to a hot serving dish and add the stock to the jices left in the pot. Bring to the boil, reduce slightly, adjust seasoning and serve separately.

SOUSED PHEASANT

Have you ever tried sousing a pheasant? I have just done one and it is absolutely delicious. It makes an original hors d'oeuvres or even a cold main course. If you have a pheasant in your freezer it would be a rather good dish to serve in the summer.

1 pheasant (the age does not matter); 1 small onion finely grated; 2 cloves of garlic finely grated; 2 tablespoons olive oil; 1 good pinch rosemary; ½ teaspoon ground allspice; 1 heaped tablespoon salt; 10 peppercorns; 3 cardamon seeds broken open; ½ pint dry white wine; ½ pint wine vinegar; ½ pint water; 1 tablespoon Billington's Muscavado sugar.

Brown the pheasant on all sides over a fierce heat and place it in an earthenware casserole. Gently fry the garlic and onions until transparent and tip them on top of the pheasant. Add the salt, peppercorns, rosemary, cardamons, allspice and sugar. Combine all the liquids together and, in a small pan, bring them to the boil and tip at once over the pheasant.

Place the casserole over a gentle heat and bring to simmering point. Cover and cook thus for 45 minutes, turning the bird at least three times. Remove from the heat, turn the bird breast down in the liquid and allow to cool. When cold, refrigerate for no less than two days (but it will keep for at least 10) and turn the bird twice a day.

To serve (on the third day), slice very thinly and put some of the onions with each portion. Discard the liquid. Offer hot [illegible]

ARTS

Waking up to the breakfast TV factor

RADIO
B. A. YOUNG

Aubrey Singer, managing irector of BBC Television, told phoner-in that when she idn't like a programme she ught to switch off (advice that he phoner-in resented). Bryan owgill, of Thames, riposted iat the proper action was not o switch off but to switch over. his exchange took place on adio 4's current *Broadcasting Tomorrow* programme, which as devoted to television but as by no means unconcerned ith radio. Indeed the first orrespondent only wanted to sk for better radio late at night, nd I was fascinated by the ray George Scott, in the chair, nd the three TV representatives, the third being Michael Peacock, an independent producer, contrived to answer her omplaint with five minutes' alk about television.

What made the discussion elevant to radio was the nterest in breakfast television. I've no intention of trespassing n Chris Dunkley's ground; the alk was largely in his field, but here was one point, crying out o be made, that was hardly ouched on. The fact is that the BBC1 programme on (for illustration) Monday, from 6.30 to 9.00 am covers a virtually identical area to that covered by Radio 4 between 6.00 and 9.00.

Radio 4: News, Farming, Today, Prayer, Weather, Sport, Thought for today, the Week Ahead, Glyn Worsnip chatting about the BBC archives. BBC1: News (including regional news), the Papers, Fitness, Tonight's programmes, Holidays, the Stars, Food and Farming, Gossip — 15 minutes' gossip, which might easily include a thought for the day or a dive into the archives if appropriate.

These are hardly recognisable as alternatives; the choice is a choice of media but little else. How many people will hop out of bed to see the news rather than hear it is not my concern; but how many people will decide to do without Radio 4 is a more serious matter, for Radio 4, as I wrote last week, is the programme whose listeners feel more than any others that their way of life is under threat.

Richard Francis, radio's general manager, wrote to the Sunday Times last Sunday to assure Radio 4's listeners that there positively was not any intention to turn their pet into a programme of all news and current affairs. It seems to me that another threat looms. If breakfast television lures listeners away to the early-morning screen, and Radio 4's listening figures drop between 6.00 and 9.00 am, there might be a temptation to reduce the news and current affairs content at that point and put in more of what the listeners want, a little play, perhaps, or an extra spot for some of those tireless talkers—Start the Day with Robert Robinson, it might be. It is too much to hope that they might find room for my special obsession, a programme of arts coverage like the overnight notices in the quality newspapers.

I touched briefly last week on John Keay's current series on Radio 3, *India, a Cacophony of Cultures*. This Sunday's item, on Indian films, was absorbingly interesting. The Indian film industry is the world's biggest; but as the director Aparna Sen conceded, most of it is confined to "intelligently made bad films," vast spectaculars that hardly have a script at all, so dependent are they on the stars. Stars are regarded as little less than gods; they are mobbed in the streets, and (as we now see) are capable of election to political office in preference to established politicians.

There are intelligently made good films as well, the kind of Indian films we are most likely to see here, and the hope is that in a few years' time it will be possible to blend the worlds of the big spectaculars and the small art films.

Zoo Talk is a series of little talks about animals that goes out at 4.30 pm on Mondays on Radio 4. The first of them dealt with penguins and flamingos. Penguins dislike hard surfaces like concrete, which give them "bumblefoot." They prefer to walk on soft surfaces, such as rubber bathmats. Flamingos can only be stimulated to sexual activity in closely-packed crowds, like old men in crowded Undergrounds; and even then they are dim about building nests until a keeper has shown them how. Nice little tea-time stories, and I suppose the reminiscent touch of Children's Hour in David Taylor's delivery is apt to the time of day.

Switching on to self-improvement

VIDEO
NIGEL ANDREWS

Never mind the video nasties. The most frightening sight I have seen so far this year on my VCR is that of a 13-year-old boy solving the Rubik Cube in 30 seconds.

More spine-tingling in its precocity than *Driller Killer* or *I Want to Spit on Your Grave*, this 30-minute instruction cassette is now available to all ages from EMI. *How To Solve The Rubik Cube* not only blithely proves that Teenage Ingenuity Rules, but also presents the astonishing *wunderkind* in question (Patrick Boissart) as our emcee and host, standing before the camera and patiently lecturing us on how it's done. Diagrams, whiz-bang graphics and computer-animation effects are also displayed, sailing through the air with the greatest of trick-photography ease.

Teach-yourself cassettes are now an entire and growing continent on the video map. Gardening, Cookery, Keep-Fit, Angling, Dancing—you too can be a Renaissance person by the end of several devout courses of tape-training.

The trump card of educational video, of course, is the playback facility. If you miss the secret of fly-fishing or stir-frying, lacrosse or acrostics on the first viewing, the rewind button is yours wherewith to retrieve escaping knowledge. Which means that video-cassettes can often dispense with the painful we'll-repeat-that-slowly-once-more ritualism that dogs most TV education programmes.

This month's star choice in the field of instructional video is undoubtedly *Jane Fonda's Workout*. This is not, as you might suppose, a session of chic and decorous limb-bending in a Gucci-clad Hollywood gym, but a genuinely strenuous hour or two. Miss Fonda bursts on to the screen with frightful energy, dressed in loose-fitting pink—"Are you ready for your workout?" And she does not charm the time with gentle patter. Straight to business: knee-ups, stomach-bends, head-rolls, toe-touches. You must clear the furniture to a far distance, ostracise the cat and make sure your internal organs are in working order. *Jane Fonda's Workout* is available from Warner Home Video.

Having toned up the body with Miss F. you must now feed it. And with the help of Jack Charlton on four EMI cassettes, you can become the compleat angler. "We're goin' t' fish for brahn traht 'n' rehn-boh traht" burrs Charlton, en route to Rutland reservoir in cassette four, the episode I sampled. Unfortunately, only 15 minutes after his words were spoken the screen went black and stayed black—a rare dud copy from EMI. But I'm told by fishing experts that the series is an excellent introduction.

Other self-help cassettes in the market are now legion and ever-growing. Intervision have a rival Rubik cassette, *How To Solve The Cube*. Cooking is catered for by such as BBC's *Delia Smith's Home Baking*, Polygram's *Cooking with Microwave* and Home Video's *The Observer Guide to European Cookery*. CIC teach you how to *Aerobicise*. David Bellamy's *Botanic Man* series is freely available on EMI. *Flower Arranging* classes are offered by Rank. And *Great Little Trains of Wales* (Guild Home), *Introduction to Basic Yoga* (World of Video), *Acid Soils and Alpines Master Class)* (Fletcher Video) and *Female Mud Wrestling* all urge themselves on the enthusiastic specialist.

Heaven forfend that education by video should usurp—or be thought to usurp—the dominion of paper and printer's ink. Depending mostly on simple, graphic eye-impact, cassettes have a tough time launching any subject beyond the elementary. But what they do offer is an invaluable way of coaxing people into the foothills of self-improvement, trusting that newly fired interest will push them on into Everests of higher learning by way of books and/or classes.

Back on my TV set, meanwhile, Boissart is once more shaming all viewers with his cubic legerdemain. His most refreshing suggestion occurs towards the end of the cassette. "Turn any slice 45 degrees, then take a wide-bladed screwdriver and push gently upwards and the pieces should pop out." Here at last is the advice that all frustrated Rubik solvers have been waiting for.

A new Queen of Spades

BY MAX LOPPERT

The English National Opera partnership of Mark Elder as music director and David Pountney as director of productions has completed its first term of office; and the general air of lively interest that attaches to the house may be reckoned a by-product of the artistic confidence that has accrued with the settling-in. So when one of the team's new productions of the current season turns out to be a performance of Chaikovsky's *Queen of Spades* quite as awful as Thursday's, the temptation may be to deal with it gently, as the one absolute stinker bound to crop up amid several proven Pountney-Elder successes.

I'm not disposed to any such leniency: disappointment that a much-loved opera, too long absent from London's opera stages, should have returned here in this ruinous guise is too keen, dislike of the combination of intellectual arrogance and intellectual muddle that characterises the whole affair too strong.

In effect, Mr Pountney has composed for us a new opera—David Pountney's *Queen of Spades*, it might be called, music by Chaikovsky, libretto based (somewhat insecurely) on Modest Chaikovsky; yet it is a *Queen of Spades* so patently inferior on every point of judgment, and it awakens at the same time so ravenous a hunger for experience of the real thing denied by the replacement, that one can only wonder at the effrontery of the house in daring to present it to the public at all.

Queen of Spades, arguably Chaikovsky's operatic masterpiece, is spiked with production difficulties; to admit the case is in no way to excuse the ENO's fudging of almost every one of those difficulties. Two strands dominate, and it is their intertwining that affords the unique quality of romantic opera, at once turbulent and opulent.

Against the stormy central plot of self-destructive passion worked out of Pushkin's chillingly laconic short story there are placed the richly elaborate and discursive scenes of atmosphere painting, with tributes to the composer's much-loved *Carmen* (at the opening) and Mozart

Any failure to set both strands in balance, any favouring of Byronic romantic storms at the expense of idealised 18th century elegance (the common failing of most *Queen of Spades* stagings) and the careful construction and marvellous contrasts of pace and colour are immediately endangered. The common failing is more readily forgiven smaller houses with limited scenic resources (in the 1982 Brighton Festival production, an austere back-to-Pushkin viewpoint was argued with such claustrophobic intensity that the "partial" treatment was largely justified). But the ENO is a large company, the Coliseum a large house; the proper resources are available; and so no possible charity can be extended to Mr Pountney's extravagant misuse of them.

This is an interpretation. The drama is obviously unfolded within the hero's mind; the whole action might be called "Hermann's Dream" (how's that for originality?). Maria Bjornson's basic set is a three-sided billowing of net curtains, evocative in suggesting perpetual brooding nightmare. During the prelude and a part of the first scene, Hermann-as-boy and his balletic, white-gowned Mother prance about; what with this, and the multiple emanations of balletic Lisas and Countesses (nine ghosts arrive to reveal the secret of the cards. Later on is becomes clear that what Mr Pountney has in mind is a sort of psychodrama about the Outsider, and his tortured relationships with God and Bad Mothers. Geddit?

In support of this uninteresting conception, locations are changed and events re-written (the St Petersburg Summer Garden becomes the barracks. Lisa's death is not a drowning in the Neva but a strangulation by Hermann beneath the Countess's portrait). Music that fails to fit the scheme, such as Tomsky's last-act song, is gouged out. All this would need a Ponnelle to bring it off (not that its bringing-off is a very desirable goal); I can't recall another Coliseum production of so many ineffective stage positions, of so much diffused musical ensembles (the opening-scene quintet and most choruses particular casualties), of so much insufferably pretentious detail. To think that the producer of this cackhanded *Queen of Spades* had recently given the Welsh National such a taunt Janacek *House of the Dead* was almost beyond reckoning.

But then, Mr Pountney's sympathies—as his Janacek cycle shows—are not natural to romantic opera. And in breaching the forms of Chaikovsky's quintessential romantic opera, in inventing a production that for page after page simply fails to strike any relationship other than gratuitous with the sense and the colour of the music, what he has achieved most successfully is a copiously catalogued demonstration of his own failings as a producer.

When every aspect of the opera is rendered tortuously phantasmagoric, nothing of excitement is left in store. If, indeed, one scene in the entire performance emerges unscathed—the famous confrontation of Hermann and the Old Countess—that is because this action at the heart of the opera is left unharmed, and because in it Sarah Walker gives one of the most brilliant and riveting examples of her singer-actor's art, a sudden blinding flash of the "real" *Queen of Spades*

The worst single casualty is, naturally enough, the character of the hero himself. Even in a more intelligent production I'd find it hard to believe that Graham Clark as Hermann was sensible casting; the qualities that make Mr Clark such a valuable *Spieltenor* are hardly relevant here, and the voice itself, at the best of times, a not very ingratiating or tonally substantial instrument, sounded dangerously over-extended by the time the denouement was reached. But to present the character from the start as a bug-eyed frockcoated nutter, in black, first cousin to the butler Riff Raff in *The Rocky Horror Show*, constrains the work in a way that might well sink even a more naturally suited tenor, and for long stretches of the evening I felt saddened indeed at the ridiculous exhibition being made of an intelligent and valuable opera performer.

Maria Slorach's Lisa, unbecomingly wigged, makes, by means of lyric singing both strong and warm, a rather more certain impression against odds nearly as hazardous. Alan Opie's Tomsky goes for little; Yeletsky suffers not only some absurd prissy posturing, but the unexpectedly strenuous, nasal-timbred employment in his aria of Donald Maxwell's basically splendid baritone. Mr Elder conducts the production loyally; in the Countess's bedroom scene and in Lisa's beautiful solo he gave hint that in other, more propitious circumstances he and the orchestra are capable of a less rigid and blemished account of the whole score.

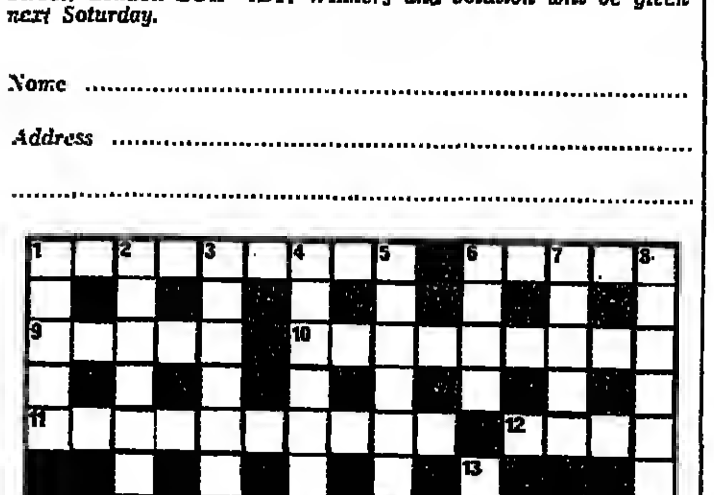
Graham Clark and Marie Slorach in ENO's production

F.T. CROSSWORD PUZZLE No. 5,078

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



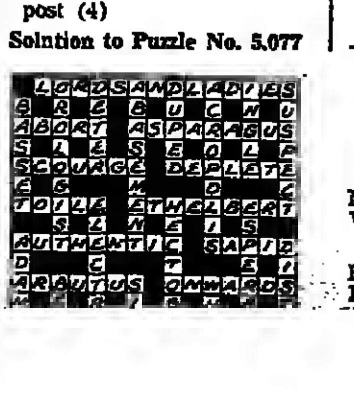
ACROSS

1 Can tempers be controlled when the fall comes? (9)
5 Widoes loses name for poor deliveries (5)
9 "Hippy" Trojan (5)
10 Water Authority out at Bondi? (4-5)
11 Stenographer? US oeme is an adaptation of it (10)
12 Beetle-drive (4)
14 Worked very hard as Tweed got out of control (7)
15 As such, sleeper has no permanent way (3-4)
17 Month to take exam—this is like being chained in office (7)
19 7 perhaps, in right surroundings, beaming happily (7)
20 Phoenician seaport once in mighty revolution (4)
22 Doing well, rightful Duke of Milan states (10)
25 Cover-up for CIA's mouthpieces? (9)
26 Nothing to report from old Japanese currency (5)
27 Wild brush-plant (5)
28 Outlandish dress, gear common to Romney Marsh (4-5)

DOWN

1 Big star of southern type (5)
2 Letter from Greece recently stimulated interest in it (9)
3 Exchanges displaying last pair of kronen-tellers (10)
5 . . . at home, in the way—it's a regular round! (7)
6 Gimbling-ground? (4)
7 Huntress needing a help getting up (5)
8 Travelling assistant to the head? (9)
13 Earliest form of rock-music? (6-4)
14 Only a few take newspaper occasionally (9)
16 Lady Smitton, say (9)
18 Dog difficult to walk? (7)
19 To make a Constable look better, make roster flexible at start of evening (7)
21 No walking-on part in "The Staircase" (6)
23 Audible signs of stress from famous bridge (5)
24 Preserve the British door-post (4)

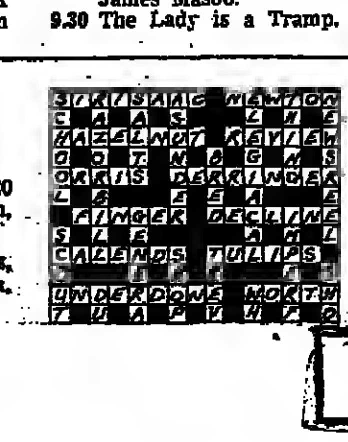
Solution to Puzzle No. 5,077



SOLUTION AND WINNERS OF PUZZLE No. 5,072

Mrs D. Cameron Watt, 20 Mecklenburgh Square, London, W.C.1.

Mrs D. Bottomlye, Headlands, Bradda West Road, Port Erin, Isle of Man.



† Indicates programme in black and white

BBC 1

9.15 am Hold Down a Chord. 9.30 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.20); Racing from Haydock (12.55, 1.20, 1.50, 2.20); World Cup Ski-ing (1.10) from Kitzbuhel; Boxing (1.40, 2.10) Highlights of this week's Barrett/Duff promotion: Darts (2.40) Berger British Open Championship: 3.45 Half-time soccer scores, news and reports; Rugby League (3.55) John Player Trophy Final: Wigan v Leeds; 4.35 Final Score.
5.10 News.
5.20 Regional Variations.
5.25 Rod and Emu's Saturday Special.
5.55 Jim'll Fix It.
6.30 The Saturday Film: "The Glenn Miller Story" starring James Stewart and June Allyson.
8.20 The Les Dawson Show.
8.55 News and Sport.
9.10 Dynasty.
10.00 Wogan.
10.45 "The Ballroom of Romance" by William Trevor.
11.35 Saturday Late Film: "A Man Called Horse" starring Richard Harris.

REGIONAL VARIATIONS: Wales—8.50 am Hold Down a Chord. 9.05-9.30 Soccer: The John Toshack Teach-in. 5.20-5.25 pm Sports News Wales.
Scotland—5.20-5.25 pm Scoreboard. 1.25 am Scottish News Summary.
Northern Ireland—5.00-5.10 pm Northern Ireland Results. 5.20-5.25 Northern Ireland News. 1.25 am Northern Ireland News Headlines.
England—5.20-5.25 pm London and the South-East: Sport; South-West (Plymouth): Spotlight Sport: All other English regions: Sport/Regional News.

BBC 2

10.10-11.40 am Open University.
2.15 pm Saturday Cinema Double Bill: "The Desert Song" starring Kathryn Grayson and Gordon MacRae.
4.05 "Gypsy" starring Rosalind Russell, Natalie Wood and Karl Malden.
6.25 Buongiorno Italia!
6.50 Sight and Sound in Concert 2: Joe Jackson (simultaneously broadcast on Radio 1).
7.30 News and Sport.
7.45 Saturday Briefing.
8.20 Sir Geraint Evans: A Farewell Concert from The Royal National Eisteddfod of Wales Pavilion.
9.25 The Campaign.
10.20 Maestro: Fred Trueman, Cricketer.
10.50 News On 2.
10.55 "Face to Face" A film in four acts starring Liv Ullman.
11.45-12.35 am Louis Armstrong Anniversary Concert featuring the Midnite Follies Orchestra, recorded at the Queen Elizabeth Hall, London.

LONDON

9.05 am Sesame Street. 10.05 Star Fleet. 10.30 The Saturday Show presented by Isla St Clair.
12.15 pm World of Sport: 12.20 World Cup Ski-ing from Kitzbuhel, Austria, plus Women's Downhill from Megeve, France; 12.40 On the Ball; 1.15 News; 1.20 ITV Six from Kempton and Warwick (introduced by John Oaksey and Brough Scott); 3.00 Table Tennis—Norwich Union Welsh Open Championships from Cardiff; 3.30 Athletics—Sunkist Invitational from Los Angeles; 3.45 Half-time Soccer News and reports; 4.00 Wrestling; 4.45 Results.
5.05 News.
5.15 Luna.
5.45 Chips.
6.40 Punchlines.
7.10 David Frost presents the Sixth Guinness Book of Records Special.
8.10 Murder, Mystery, Suspense.
10.00 News and Sport.
10.15 The Big Match.
11.15 The Saturday Stayback.
12.00 London News Headlines followed by Continental Movie: "The Silent Ones" starring Robert Hardy.
1.55 am Close: Sit Up and Listen with Sir Michael Hordern.

CHANNEL 4

1.30 pm Making the Most Of . . .
†2.00 Saturday Matinee: "Bulldog Drummond" starring Ronald Colman.
3.30 Imogen Cunningham Photographer — documentary by director John Korty.
†3.50 "The Bespoke Overcoat" starring Alfie Bass and David Kossoff.
4.25 A Chairy Tale 1957.
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics.
7.30 The Other Side of the Tracks.
8.30 Hollywood, narrated by James Mason.
9.30 The Lady is a Tramp.
10.00 Upstairs, Downstairs.
11.00 The Avengers.
†11.55 Death in the City: "The Enforcer" starring Humphrey Bogart.

S4C (WALES)

1.40 pm Shakespeare Lives. 2.05 Common Interests. 2.35 The Spanish Civil War. 3.25 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs, Downstairs. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Minafon. 8.30 Delme. 9.20 Y Maes Chwarae. 10.10 The Irish RM. 11.05 Sam Goldwyn Presents.

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Welcome Back Kotter. 10.15 pm Match Of The Week — Gerry Harrison introduces the best of the region's league games, plus highlights from two other matches. 12.00 Portrait of a Legend (Rick Nelson). 12.25 am Working Together.

CENTRAL

9.40 am Batman. 10.15 pm Star Soccer features on outstanding match from the Midlands with commentary by Peter Brackley. 12.00 Profiles in Rock: The Who.

GRAMPIAN

8.05 am Johnny's Animal Opera. 8.35 The Groovie Goolies. 10.15 pm Scotsport—Arthur Montford with football highlights from both sides of the border. 12.00 Live At The Millionaire featuring the blues and soul singing of Esther Phillips. 12.30 am Reflections.

GRANADA

9.30 am Cartoon. 9.40 Secret Valley. 10.15 pm Match Time—the north-west's own football programme. 12.00 The Late Film—Richard Thomas and Mary Layne in "You Can't Have Everything."

HTV

9.35 am Ask Oscar! 12.13 pm HTV News. 5.13 HTV News. 12.00 Barney Miller.

SCOTTISH

9.35 am Wattoo Wattoo. 9.40 The Smurfs. 10.15 pm Scotsport—Arthur Montford presents football in Scotland and England. 12.00 Late Call. 12.05 am The Two Of Us.

TSW

9.00 am Look And See. 9.05 The Adventures Of Gulliver. 9.30 The Saturday Show. 10.30 Gus Honeybun's Magic Birthdays. 10.33 Star Fleet. 10.55 The Fugitive. 11.45 Survival. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days. 5.45 Falcon Crest. 7.10 Lou Grant. 12.00 Barney Miller. 12.25 am Postscript. 12.30 South West Weather.

TVS

9.35 am The Smurfs. 12.12 pm TVS Weather. 10.15 The Saturday Match—Football action introduced by Fred Dinenage with George Best and Gerald Sinstadt. 12.00 Making A Living. 12.30 am Company.

TYNE TEES

9.00 am Morning Glory. 9.05 The Adventures Of Gulliver. 9.30 The Groovie Ghoulies. 12.13 pm North East News. 5.10 North East News. 10.15 Shoot. 12.00 The Late Movie: "Ten Rillington Place." 2.05 am Poet's Corner.

YORKSHIRE

8.30 am Gardening Time. 9.55 Wattoo Wattoo. 10.15 pm Match Time: Action from three of the day's most important games, with Elton Welsby, Denis Law and Martin Tyler. 12.00 Making A Living.

RADIO 1

(S) Stereo (when broadcast on vhf)
6.00 am Tony Blackburn's Saturday Show. 10.00 Mike Smith. 1.00 pm Adrian Juste (S). 2.00 A King in New York with Jonathan King (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30 Sight And Sound In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

5.05 am David Jacobs (S). 10.00 Ray Clemence with Star Choice (S). 11.00 Album Time (S). 1.00 pm Drop Me Here. Darling. 1.30 Sport on 2: Racing from Haydock at 1.30, 2.00 and 2.30; Football: 1.40, 2.55, 3.05, 4.42; half-time football at 3.45, and Harlequins v Gosforth, rugby also at 2.40, 3.05, 4.55; 5.00 Classified football results; 5.45 Classified Racing Results; 5.50 Final Pools Check. 6.00 Tribute to Marty Robbins. 7.00 Beat the Record with Keith Fordyce. 7.30 Big Band Special (S). 8.00 Gala Concert (S), from Jersey, including 8.50-9.00 Interval. 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

RADIO 4

BBC RADIO LONDON

LONDON BROADCASTING

CAPITAL RADIO

CHESS SOLUTIONS

Solution to Position No. 458

1 BxP! RxB; 2 B-Q3! and the threat Q-R5 ch forces Black to give up his queen by 2 ... Q-N3 when White wins on material. If instead 2 ... B-Q3; 3 Q-K4 wins.

Solution to Problem No. 458

1 K-R2 and mate next move.

FINANCIAL TIMES

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COLLECTING

Dealing off the top of the deck

BY JUNE FIELD

"POKER STILL has its charm for those who love a game of chance," declared *The Lady's Realm* of April 1899, going on to announce that the great game of all, "which has become quite a craze in society now," was Bridge.

Devoted to the game that Lord Brougham introduced from the South of France five years earlier, were "the Prince of Wales, the Duke of Devonshire and other distinguished people."

Dr Johnson was sorry that he had not learnt to play at cards: He felt that it was very useful in life, generating kindness and consolidating society.

Collecting playing cards as well as indulging in the variety of games that can be played with them, appears to generate similar qualities.

"It is not easy to describe the warmth of friendship that is evident throughout, considering the many different views and nationalities represented," says Tony Beale, secretary of The International Playing Card Society formed in 1972 "to stimulate and support research into all aspects of playing cards and card playing."

"We welcome all kinds of people, general games players, collectors, dealers, researchers, museum curators and so on." The 250 members are from 21 different countries, with 35 per cent from the UK, and 12½ per cent each from the U.S. and West Germany, the rest spread around the world.

The society's newsletter *Playing-Card World*, shows their diverse interests. A collector in Harrow, Middlesex is making a study of Japanese card games, one in South London concentrates on playing cards featuring music from opera or popular songs, used either for gaming or as a sheet of music, and in France someone is working on a lexicon of Spanish cards.

An Austrian doctor favours satirical cards, a couple in Cincinnati want military or aviation themes, and a Swiss collector specialises in the fortune-telling variety.

Membership, which includes the newsletter and quarterly journal *The Playing Card*, costs £12.50 a year in sterling, £14.50 in other currencies, to Mr Beale, International Playing Card Society, 188 Sheen Lane, East Sheen, London SW14. Or send a stamped addressed envelope for an application form.

The society has also published *Spanish Playing Cards* (£12.50 including postage), a scholarly work which includes a list of nearly 400 playing card makers (bull-fighting themes are popular), and a glossary of useful phrases.

For those just starting out, I recommend the colourful pictorial summary, *Playing Cards of the World — A Collector's Guide* by Kathleen Wowk, to be published on Thursday at £15 by Lutterworth Press, Guildford, Surrey. As the author points out, the new collector need not be over-concerned initially how cards began.

In the 14th-century a German monk Johannes referred to "a certain game called the game of cards . . . (with) kings, queens and chief nobles," on May 23, 1376 there was a decree in Florence, forbidding their use, and numerous conflicting theories regarding actual origin have arisen over the years.

It is more important to decide in what to specialise. The suggestion is to begin with the standard patterns peculiar to a certain region of a favourite country. These can differ slightly on quality and artistic treatment according to the maker. Politics come into it too, as during the French Revolution all the French court cards had their crowns and the tops of their

Danish King of Spades "double figure" card with crown and sceptre and Swedish pattern Queen of Clubs featured in Kathleen Wowk's "Playing Cards of the World," £15, to be published on Thursday by Lutterworth Press.

sceptres cut off.

Kathleen Wowk began collecting Tarot cards 13 years ago. She told me that at that stage like many others she believed that they had mysterious, mystical origins related to the East. "But I eventually discovered that most historians considered it more likely that Tarot cards are just another variation of card games in general. And the thing that still really attracts me to them is their infinite variety and versatility in both design and use."

Miss Wowk is with Stanley Gibbons' stamps and postcards, 399 Strand, London, WC2, joining them in 1977, when they used to trade in playing cards. From this address she will either send a free leaflet on the book, or the publication itself for £15, post free.

The earliest Tarot cards (usually 78 to a pack) are said to have been commissioned, hand-painted works of art for wealthy Italian families; and the Mantegna Tarot, c. 1450, 50 cards in five groups of ten, were used for educational purposes. The £10,000 paid recently for a pack is quoted, although this is referred to as quite exceptional, as most packs from the 17th and 18th century, earliest items most collectors would come across, have all been sold for under £4,000.

Although it is maintained that this is very little compared with other established art forms such as painting, one would have liked some more popular figures given as a guide to collectors.

"For instance 'transformation' packs, so called because the 'pips' (suit signs), form an integral part of the card's design, of the German manufacturer Dondorf's *The Four Corners of the World*, are around £150, a dealer told me. Commemoration packs such as those of Victoria's Diamond Jubilee by Goodall and Son, 1897 are about £80 and those from the two World Wars can be bought from £45.

One of the most undervalued areas are the late 1800s game packs of Snap and Happy Families which are under £15, with rare examples from £5.

Modern cards increase in value if they go out of print, such as the 1976 pack produced by Philibert of Paris caricaturing President Giscard d'Estaing. (He was so annoyed he had them banned.)

Two years ago they sold at £8, now they are nearly double. Specialist dealer in old playing cards is Yasha Beresiner, Intercol London, 1a Camden Walk, Islington Green, N1, who will send a free catalogue of what is on offer.

Falklands to the fore

STAMPS

JAMES MACKAY

ALTHOUGH THE Falkland Islanders will not be staging their celebrations of the 150th anniversary of British rule till next month, the event has already been recognised. Quite apart from the recent five-day visit of the Prime Minister, the Falklands Post Office got off to a fine start on New Year's Day with a set of 11 stamps, designed by local artists Ian Strange and Duffy Sheridan. The stamps, lithographed by Questa, will replace the ship definitives and will remain on sale throughout 1983.

Each stamp bears a silhouette portrait of the Queen, balanced by a similar profile of the appropriate ruler, from William IV onwards. William IV, the "Sailor King," graces the 1p stamp which depicts Captain Onslow raising the Union Jack at Port Louis on January 3, 1833. Chelsea pensioners, who formed the bulk of the original settlement, are shown on the 2p. This stamp portrays Queen Victoria who is also featured on the 5p (sheep-shearing) and 10p (ship-repairing). The Edwardian era is represented by the 15p, depicting Government House.

HMS Invincible (20p) was one of the battlecruisers in Sturdee's squadron which destroyed Von Spee's fleet on December 8, 1914 off the Falklands. By contrast, the 25p symbolising the interwar period shows the arch of whales' jawbones in front of Christ Church Cathedral. The 40p stamp pays tribute to the 150 men and women of the Falklands who served in the armed forces and the merchant navy during World War II and shows servicemen in front of the islands' war memorial. The profile of the Queen alone is shown on the 50p (visit of the Duke of Edinburgh, 1957) and £1 (Royal Marines of 1833 and 1933), while the £2 value features a new portrait of the Queen based on a photograph by Peter Grugeon.

Not to be outdone, Argentina issued a set of stamps last year to reinforce her claims to the islands and portraying Luis Vernet and the settlement at Puerto Soledad. At the time of the Argentinian occupation last year Argentine stamps were overprinted "Last Malvinas son Argentinas" (the Falklands are Argentine).

The Argentine occupation of the Falklands and South Georgia forms the subject of a fascinating exhibition which is on at the Romano House Gallery, 399 Strand, London till the end of this month. It has been arranged for Stanley Gibbons by Wing Commander John Davis who visited the islands immediately after the Argentinian surrender and took advantage of this to piece together the unique story of the philatelic aspects of the occupation.

He talked to Clifton Lewis, in charge of the Philatelic Bureau, and a number of other islanders in Port Stanley and at Pebble Island, Goose Green and Fox Bay, the last-named boasting the only post office other than that at Port Stanley. The postal system managed to operate during the occupation and the military campaign but material was scanty and the local people were understandably reluctant to part with interesting mementoes. Three days after the surrender Argentine prisoners billetted in the head post office building ran amok and destroyed both stamps and the various datestamps. Fortunately the Philatelic Bureau itself was undamaged.

The exhibition shows in remarkable detail the extent to which the postal service changed under the brief occupation. Falklands stamps were defaced and cancelled with a datestamp incorporating the Argentine flag. Thn Falklanders employed in the post office responded patriotically by applying the canceller upside down. In Argentina itself the public were encouraged to write to a soldier serving in the Malvinas; on exhibition are examples of these letters, with translations. Schoolchildren were exhorted to write cards and each child was free to interpret the themes of Peace and Love in his or her own way. There is a touch of pathos about these delightful cards which reached the Falklands but fell into British hands before getting to the intended recipients.

Normally philatelists pride themselves on the fresh quality of the material they display, but the grubby, dog-eared poignancy of many of the letters, cards and covers found in Argentine positions overrun by the British, brought home to me the utter futility of war. I can truly say that no exhibition ever moved me more.

The South Atlantic campaign had one inevitable repercussion. at a time of sagging interest in stamps, the issues of the Falklands, its polar dependencies and the South Atlantic group in general (including Ascension, St Helena and Tristan da Cunha) have never fared so well and the market is booming. Cashing in on the worldwide demand for material from this area Stanley Gibbons have launched a special catalogue devoted to the South Atlantic islands and British Antarctica. This handy paperback retails at £4.95 and is basically an amalgamation of the listings from the Gibbons Part I and Elizabethan catalogues, but includes some hitherto unrecorded watermark and perforation varieties. It is to be hoped that future editions will include information on postmarks and other aspects of postal history, following the pattern of the popular Channel Island and Isle of Man

SPORT

Jurek Martin reports on racquets and chips in Tokyo

Taking on Sony's tennis machine

Picture the scene: the centre (half) court at Chigasaki, the tennis mecca next to the railway tracks in Kanagawa Prefecture, outside Tokyo.

Picture the opponents: on one side of the net, the accumulated cunning of 40 years in a mostly losing cause, tensely gripping the Prince Pro racquet, wondering how to deploy the known strengths, serve and volley and good court speed, and hide the patent shortcomings, the double faults and the suspect groundstrokes.

On the other side of the net, impassive, its game plan thoroughly prepared in advance, a Read Only Memory (ROM) chip.

This epochal contest, now recorded for posterity on video tape, was actually made possible by Akio Morita's legs. When he turned 55 Morita's children took him to task. Like every good Japanese businessman, he had been getting in his golf, but, what with the advent of the electric golf cart, this really was not enough. Look at your legs, his children told him, they are far too thin and spindly: you must take some real exercise: try tennis, they said.

But when he started taking lessons, quickly getting hooked on the game, he became frustrated. Being taught by a professional simply was not efficient: the pro spent far too much time picking up balls from around the court and it was not always easy to understand the instruction he was getting. A basic ball machine was really no better: it, too, always needed reloading and in any case there was no variety in the way it shot balls over the net. Tennis, Morita appreciated, was a bit more subtle than that.

Now, it so happens that Akio Morita is not your average businessman. Indeed, his record as chairman and guiding light of Sony has made him arguably Japan's most distinctive corporate executive. Only last month Prince Philip conferred on him the singular honour of the Royal Society of Arts' Albert Medal, previously bestowed on the likes of Pasteur, Marconi and Edison. If anybody was equipped to apply technology to a practical sporting problem it was Akio Morita and his staff at Sony.

The work has been proceeding quietly. Few people, even in Japan, know that Sony has a sports and technology department, probably because it reports directly to Morita and has not generated much income to date, according to its manager, Mr Nakai, with appropriate modesty. Morita plucked Nakai from another part of Sony because he says, he is a "born salesman." However, it is perhaps not entirely coincidental that Nakai has been the Sony doubles champion for the last five years. ("I get all these fit young men as partners," Morita explains, playing down his own considerable competence with a racquet).

The fruit of their labours is Tenicon, the business end of whose barrel protruded across the net in Chigasaki the other day. In lineage, Tenicon is essentially a ball machine and, at quick glance, it looks rather like one, in a faintly Heath Robinson way. But the little box underneath, home of the ROMs, means that it is as far removed in practice from its humble ancestor as a modern nuclear weapon is from Chinese gunpowder. And its purpose, far from being to destroy anything other than the livelihood of tennis teaching professionals, is to train.

It works like this. Tenicon lives in a specially constructed half court environment. It lurks behind protective screening a few feet back from one side of the net while the player receives its offerings on the half court. Its ROM capability means that it can be programmed to deliver balls to the player's forehand or backhand: it can be programmed for volleys and smashes; it can mix up its offerings in an infinity of combinations, pulling the player to both sides of the court, bringing him forward for the volley and driving him back with the lob.

That is not all. It can be set to different speeds, angles and lengths. By varying the rotation of the twin discs through which the ball is ejected, it can serve up topspin, backspin or no spin. The machine at Chigasaki was programmed for nine basic stroke combinations, plus the speed and spin variations, but its technical operator said that if McEnroe or Borg wanted to use Tenicon it could be programmed for their special needs, so long as the hardware did not fall apart.

Ball retrieval problems have been partly solved: hit it back over the net and it falls into a trough which guides it back to the grab which feeds it back into Tenicon's delivery system. Those which do not make it over have to be picked up, if only to avoid broken ankles.

For a club, the economics of Tenicon look attractive. Sony has sold only 12 so far, all in Japan, since it was unveiled last autumn. The machine itself costs Y3m (about £8,000), while a similar amount should cover either building or preparing the half court and surrounding netting. At Chigasaki, a Tenicon user puts Y200 (60p) into a coin slot, picks a programme and gets three minutes worth of playing time.

When fully used, therefore the machine can generate Y4,000 an hour, which, oddly enough, is about what a professional costs. Tenicon, of course does not get tired or tennis elbow or seduce the lady members but then, it doesn't have nice legs, which tennis professionals often do.

Mr Nakai reckons that with consistent use, Tenicon could pay for itself inside 18 months. But Sony is also interested in offering a complete training programme, using Tenicon with video recording cameras for post-play analysis and instruction. The Chigasaki clubroom comes with three VTRs, all heavily used.

Indeed, if anybody really wants to know if Tenicon or the Financial Times triumphed the other day on the centre (half) court, in Chigasaki, there are a couple of cassettes locked away in a desk at home in Tokyo which tell all. Or you could ask Mr Nakai, except that he is off in Colorado Springs trying to persuade the U.S. Olympic Committee to invest in a truly sophisticated computerised video training device that Sony has come up with. And all because Mr Akio Morita's legs were too thin.

William Dawkins examines a controversial decision by the Stewards

Why woman have lost out at Henley

British oarswomen have reacted with resignation and sadness to Henley Royal Regatta's decision not to offer invitation events for women in 1983.

The regatta's management committee introduced races for single scullers, double scullers and coxed fours as an experiment in 1981, but decided at its recent annual meeting to scrap the idea for the time being because the regatta was overloaded.

Although the committee freely admits that the races were successful and closely fought, they put too much pressure on the rest of the programme.

The problem is that women traditionally race over a shorter distance than men. This involves anchoring stake-boats in the middle of Henley's two-lane course, making it impossible to run full- and half-course races at once.

The committee decided against running all the women's races in a single block because that would reduce the variety in racing timetables for which Henley is popular.

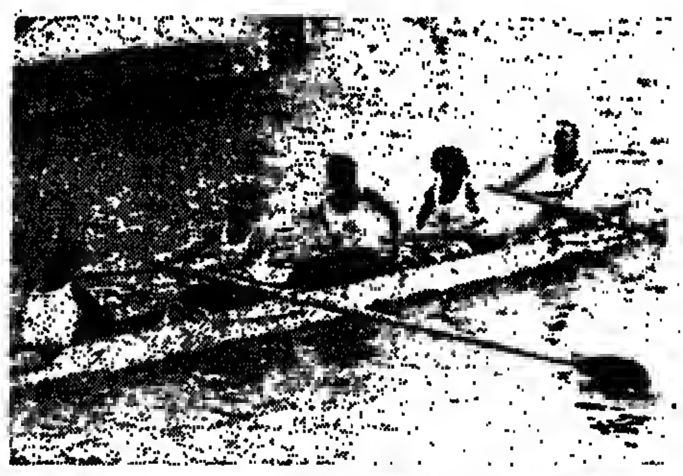
The real problem, says Mrs Pauline Churcher, chairwoman of the Amateur Rowing Association's women's selection board, was that the women's events at Henley attracted "not a flicker" of public interest because they included no British club crews.

Unlike male events, entry was by invitation of the stewards only. The policy was to invite select foreign crews to race against each other and members of the British national squad. But the vast majority of Henley spectators attend the regatta to follow the fortunes of their own clubs, schools or colleges.

Mr Peter Coni, chairman of the regatta's management committee, argues that it was necessary to invite only the cream of British oarswomen to provide close races against their high quality foreign counterparts. Walkovers would do the regatta no good. In spite of the fact that Henley is in many ways a rowing maverick it is a major international regatta and needs to maintain that reputation.

Mrs Churcher points out that normal international regattas experience the same timetable problems, with the result that women often find themselves racing at dawn.

One solution would be to break with international precedence and run women's races along the full length of the men's course. After all, Henley is already different from other international regattas in that it is slightly longer than the usual 2,000 metres, and is raced against the stream, instead of the still water of a lake or reservoir.



An American women's four after winning at Henley in 1980

Many Henley spectators will argue that some men's events already throw up dull processional races and that poor-quality men's crews find it all too easy to get into the regatta.

For this reason, the committee is reviewing the men's events, with the possibility of reorganising the Ladies' Plate —essentially college races—and Thames Cup to encourage closer results and lose some of the poorer undergraduate crews.

Mr Coni admits that the prospects for reintroducing women's events at Henley in the near future are slim, unless there are major alterations in the men's events. If, for example, A level examination dates moved, it might be possible to include the Special Race for Schools—which is run on Saturday and Sunday to avoid weekday exams—in the Princess Elizabeth Cup, a schools' race run during the full four days of the regatta. Then, he says, the committee would give serious consideration to bringing the women's events back.

SKIING

ARTHUR SANDLES

WHERE HAS all the apres ski gone? There was a time when the average ski resort after dark was like a sack full of Mexican jumping beans. These days when the sun sets, the hills are alive with little more than snoring.

Three things have put paid to the old time hubbub of the Alpine high street—apartments, taxes and health.

There is no doubt that the deadest resorts are those with a high proportion of small villas and apartment blocks. After dark skiers retire to the privacy of their own living accommodation, eating their fondue and drinking their wine *en famille*.

Hotel inhabitants cannot do this. Show me a resort with lots of flats—Flaine, Avoriaz or Snowbird—and I'll show you a place that has about as much life at night as the village graveyard. Lots of small hotels, that's what makes things go with a swing.

To make things worse, European taxes have pushed up prices to a point where the hard-pressed skier cannot afford to buy several rounds of drinks. Prices of £2 or more are not unusual for standard drinks in European resorts and the cheapest bottle of wine in one disco in Switzerland I visited the other week was a shade under £10.

Add these problems to the clear indication that even skiers are drinking less these days as they watch their weight and blood pressures and you have a formula for the end of the groovy nightlife of yesteryear.

Most resorts still have the odd piano bar, discotheque and even nightclub, but the days of village streets where every door led to yet another den of drinking and dancing have long since passed. The apres ski has retreated to the apartment blocks, and supermarkets sell more booze than discotheques.

So where are the last watering holes of the energetic night owls? Try St. Anton and Mayrhofen (Austria), Zermatt in Switzerland, Sauze d'Oulx in Italy or Aspen and Park City in the U.S. Oddly enough the villa-partying Verbier is also pretty good.

SNOW REPORTS

EUROPE		
Andermatt (Sw)	100-270 cm	New snow. High winds.
Arosa (Sw)	110-160 cm	Excellent skiing conditions.
Avoriaz (Fr)	125-180 cm	Powder on hard base.
Davos (Sw)	140-230 cm	New snow on good base.
Grindelwald (Sw)	40-100 cm	Good skiing in all areas.
Igls (Aus)	30-110 cm	New snow on good base.
Isola (Fr)	81-122 cm	New snow on hard base.
St Anton (Aus)	85-220 cm	Deep powder everywhere.
St Moritz (Sw)	80-160 cm	Good skiing but very windy.
Selva (It)	60-100 cm	New snow on good base.
Tignes (Fr)	175-195 cm	Good skiing but high winds.
Zermatt (Sw)	60-140 cm	Skiing conditions excellent.

European reports from Ski Club of Great Britain representatives.

THE U.S.		
Aspen (Col)	13-14 ins	New snow. Powder and packed.
Hunter (NY)	10-60 ins	35 trails open. Machine snow.
Park City (Ut)	0-56 ins	New snow. 11 lifts and gondola.
Sugarbush (Vt)	26-36 ins	New snow. Powder and packed.

Figures indicate depths at top and bottom stations.
For current Scottish ski conditions call U.K. (0)31 246 8041.

RACING

DOMINIC WIGAN

THERE IS no more improved jumper in action at present than Ashley House and it will be intriguing to see how Dickinson's nine-year-old shapes up against Little Owl, Venture to Cognac, Earthstopper, Lesley Ann, Richdee and Scot Lane at Haydock today.

Ashley House receives weight from all but Lesley Ann in the

Still only a possible runner for the Sun Grand National at Aintree where his extravagant jumping will come into full play, Ashley House must make a bold bid today judged on last week's Green Highlander win at Ascot. Foot-perfect there, bar an untidy jump at the water on the second circuit, Ashley House had all his rivals but Henry Bishop in trouble.

Well in command of Henry Bishop in the short home straight Ashley House won by 10 lengths. Little Owl appears a shadow of his former self and if the Dickinson chaser is to be

Half an hour before tha Peter Marsh, there is an equally intriguing affair for the three-runner Haydock Park Champion Hurdle Trial. Ekbalco will be attempting to concede 5 lb to the two years younger and ever-improving Sula Bula. Market leader and second favourite respectively for next month's renewal of the Schweppes Gold Trophy, they should provide racegoers with a fascinating spectacle.

Ekbalco followed up an early December success at Cheltenham over a rusty For Auction by getting home from Broad-

weight against a rival in such rampant form. If, as I anticipate, Sula Bula can extend a winning sequence which has encompassed victories at Wolverhampton, Wetherby and Windsor, he must be taken seriously

HAYDOCK
1.00—Charter Party**
1.30—Sula Bula
2.00—Ashley House
2.30—Goldspun*
3.00—Galway Blaze
3.30—Londolozi

KEMPTON
1.30—Young Lover
2.30—Ra Tapu

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Saturday January 22 1983

The scent of recovery

AFTER LAST week's flurry of excitement over sterling, relative calm descended on Britain's financial markets this week. Much the same could be said of the House of Commons during Wednesday's debate on the economy.

The debate was admittedly punctuated by the occasional taunt of "soup kitchens" from the vociferous Labour member for Bolsover, Mr Dennis Skinner; but the Opposition could hardly lay waste a government that had, since last autumn, presided over a sterling devaluation of much the same magnitude as the one brought about by Labour in 1967; or, for that matter, the one which Mr Peter Shore, the Shadow Chancellor, might have hoped for after a year of Labour economic policies—or not, as the case may be.

The recent resilience of equities, which were only marginally unsettled yesterday on fears of a water strike, owes much to the prospect of improved profits in British industry arising from a more competitive exchange rate. Fortified by the prospect of an early budget, which has now been fixed for March 15, the market was prepared to overlook November's depressed figures for industrial production and a slow down in spending on consumer durables in the last quarter of 1982.

Expectations

Similar factors are at work on Wall Street. According to figures published by the Commerce Department last week, the U.S. gross national product fell by 1.8 per cent in 1982 and the annualised rate of decline in GNP in the final quarter amounted to 2.5 per cent. U.S. equities took a tumble—but more because the market was worried about interest rates than from concern at the state of the economy.

Expectations of economic recovery are by now built into markets around the world. One obvious pointer is to be found in commodity markets where recent price rises are less a reflection of a flight from money than a change in sentiment about prospects for demand.

In America there are signs of a modest upturn in housebuilding and the motor industry. The West German Government now expects to see some recovery in the current year. Equally important, markets have been reassured over the past few months by signals that both politicians and central bankers have been putting out. In the U.S. monetary policy has been relaxed; in Japan, fiscal policy has eased; in Britain the Government is moving towards correcting a needlessly tight fiscal policy.

But will this old-fashioned medicine work? Such has been the severity of the recession in the U.S. that there is probably room for an initially sharp bounce off the bottom. But the failure of Wall Street to rise further and faster since Christmas almost certainly reflects continuing fears about the inflationary consequences of the upturn. No one can give a straight answer to the question: how much of any given rise in the demand for money will be reflected in growth and how much in increased prices?

The monetary aggregates in the U.S. have been distorted by deregulation in the banking system. But even assuming that they do expand rapidly over the next few months, this will not necessarily mean that inflation is on the upsurge, since the demand for cash balances actually increases as inflation comes down.

Resources

Similar uncertainties affect those countries where the fiscal brake has been lifted. There is no question that resources are lying idle. But in Britain and elsewhere there is widespread scepticism about the effectiveness of pump-priming demand by increasing budget deficits in order to bring those resources back into use.

Finally, there is the question of how any recovery in the larger economies is to transmit itself to the rest of the world. Whereas previous cyclical upturns in the industrial countries have stimulated domestic economic activity and import demand in less developed countries, a similar upturn today simply helps stave off banking collapse by enhancing the ability to service debt—excellent in itself, but no boost to the global economy.

Moreover, the readiness of industrial countries to import each others' (or less developed countries') goods is in doubt. This week Mr Patrick Jenkin, the Industry Secretary, was threatening the Japanese over a supposedly intolerable bilateral trade deficit, while similar anti-Japanese noises were heard in the U.S. When two traditionally liberal countries adopt such a restrictive stand, the outlook is uncomfortable.

Perhaps the best way to rationalise the behaviour of markets over the past few months is to say that some modification of earlier pessimism was in order, since the international debt crisis has been, for the moment, contained and politicians have audibly changed their tune. The Group of Ten finance ministers' decision this week to give all IMF members access to an increased facility known as the General Arrangements to Borrow (GAB) was a further helpful step towards increased stability. And in the present climate that is something to be grateful for.

TAX REFORM

The Tories open a hornets' nest

By David Freud

WHEN THE Tories came power in 1979, tax reform was a main plank of their election programme. And on this front, promise have been turned into a series of major reforms. Nor is the process showing any signs of slowing down. The amount of tax legislation pending or being considered has reached unprecedented proportions.

Yet the Tories now find themselves subjected to a barrage of criticism, and it is doubly ironic that the most voluble complaints issue from the direction of the City, whose free market philosophy the Government professes to espouse.

There are two main grounds of criticism. The first is that far from simplifying and reducing the amount of tax law, the Tory administration has been adding weighty volumes of legislation, of stupefying complexity, to the statute book.

In a recent speech, Mr Eddie Ray, president of the Institute of Chartered Accountants in England and Wales, pointed out that the volume of tax legislation now amounted to 900,000 words, increasing at 5 per cent a year. This was a rate of new legislation "no professional man can absorb and hope to be right even most of the time. It is quite ridiculous."

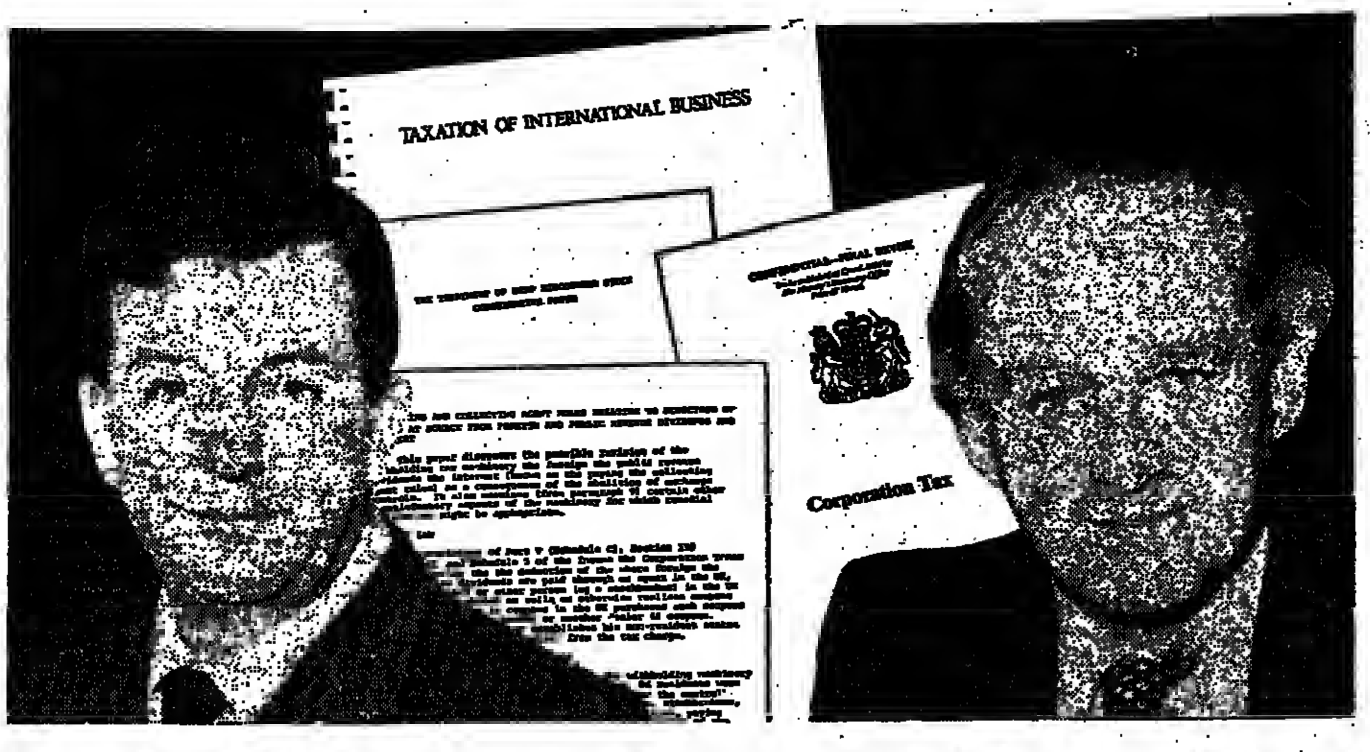
The early changes made by the Tories were the simple ones, reducing high marginal rates of income tax and encouraging small businesses. The next stage, master-minded by Lord Cockfield, dramatically reduced the impact of capital transfer tax and pushed most small investors out of the capital gains tax net.

The second criticism is directed squarely at the Inland Revenue, which is accused of emasculating every piece of Tory legislation with a string of restrictive clauses. Again in the words of Mr Ray: "A lot of the trouble lies not at the Chancellor's door but at Somerset House, where a wholly protective attitude still pervades. If a good idea comes along—demergers, start-up schemes and so on—Somerset House will smother it with such a wet blanket of avoidance legislation that the flame goes out."

The Treasury Ministers have shown themselves extraordinarily sensitive to the claim that the Inland Revenue, rather than themselves, holds the reins in framing legislation.

Mr Nicholas Ridley, Financial Secretary to the Treasury, hammered home the point in a speech last November. "It is we, the Treasury Ministers, who decide these things. We decide the subjects for study, for reform, for consultation, and for inclusion in the Finance Bill. We even decide what goes into the Schedules. If you think we get it wrong—then blame us. Do not blame the Revenue. We take the decisions and the responsibility.

"There seems to be a feeling amongst some people that the Revenue in some way seek to neutralise, or even negate, tax changes that Ministers intend to be beneficial; and that they have an unjustified obsession with stopping up tax loopholes, which Ministers are powerless to resist. This is entirely untrue: indeed it would be more accurate to say that Ministers deserve praise for targetting their reliefs on those who might produce benefit to the economy, and not allowing the tax efficiency experts to exploit them."



Mr Nicholas Ridley, Financial Secretary to the Treasury (right) and Mr John Wakeham, Minister of State: The tax system seems to be running out of control

There is clearly some truth in Mr Ridley's claim. Anecdotes abound in the Revenue of instances where backbench MPs have objected to restrictive pieces of legislation put in at the insistence of Ministers against Revenue advice.

But the position is not clear-cut. The Revenue is not a typical Whitehall department in that while it reports to Ministers on policy matters, it is independent on administrative affairs. Ministers cannot, for example, see individual or corporate tax returns. In Whitehall, where information can often mean power, this gives the Revenue an edge not enjoyed by other departments.

At the same time the complexity of the issues with which the Revenue deals makes it difficult for an outsider from Westminster to seize the initiative.

Mr Ridley has been Treasury Secretary for less than 18 months, and worked as a civil engineer before entering Parliament. His main tax experience comes in dealing with Finance Bills between 1973 and 1979 at committee stage. He says: "It has taken a very long time to understand what one is doing. One has to have a long playing-in time in a game like this."

Mr John Wakeham, who joined the Treasury ministerial team in April, has a more appropriate professional background, being a chartered accountant with his own practice before entering Parliament.

While the Revenue can argue with some justification that it is only doing its job in alerting Ministers to tax abuses, it can also be accused of foot-dragging in the reverse situation, when the system is proving manifestly unfair to taxpayers.

The traded options market languished for two years before the Revenue issued a clear-cut ruling on how gains would be treated. And it looks as if the new London financial futures market is being undermined because there is no agreement on how profits should be taxed. Yet Mr Ridley states that he is "unaware" of a problem over financial futures.

> The increasingly adversarial atmosphere between the Revenue and the City

In reality, the argument over who determines tax policy is a side-issue. Whether Ministers are the masters of the Revenue or not, the tax system itself seems to be running out of their control. Having come to power determined to make the system more fair, the Tories have found that they have opened a hornets' nest. Each move they make forces consequent changes to the rest of the system.

With the easy changes accomplished in the last year or so the Tories have switched their attention to the injustice produced in the tax system by inflation. The last Budget gave a taste of the complexities involved, when the Chancellor introduced rules to index capital gains, in an effort to stop paper gains being taxed.

The attempt to provide fiscal justice here has brought the Government face to face with the thorny theoretical problem of what constitutes capital and what income in an inflationary climate.

Much of the income paid on bonds and other instruments is in fact recompense for capital erosion caused by inflation. The move to index capital gains therefore throws the spotlight on income tax.

Indeed, the Tories made indexation extremely complicated by introducing a rule excluding gains made in the first year. This was because of fears that the huge London market in commercial bills—short-term instruments of crucial importance in monetary control—would be undermined.

Even so, the City has been quick to take advantage of the anomaly created between capital and income taxation. In recent months money has poured over to the Channel Islands into funds which "roll up" clients' investment income into capital gains by ploughing back accrued interest into the fund to push up its capital value. Depositors are subject only to capital gains, rather than income tax.

The anomaly is further dramatised in an Inland Revenue consultative document, issued this month, on how to tax deep discounted bonds, which will form the basis of legislation in the next Budget. These bonds also rely on capital uplift rather than income payments for their attraction. The consultative document ties itself in knots trying to square the circle.

In recent years the tax-making process has become far more open, with consultative papers issued more or less whenever a change is being considered. From the point of view of Ministers, this at least provides a corrective to Revenue advice, and helps to avoid badly drafted and unjust legislation.

It also brings disputes out into the open. The City and other outside bodies have developed a vociferous technique for opposing proposals. The Revenue, for its part, may be adopting the technique of pushing the hardest possible line to start with, knowing it will have to make concessions later.

The classic recent example was the International Tax Avoidance proposals, which contained measures to control the use by UK companies of tax havens. Here there were indeed signs that the Revenue rather than Ministers were in the driving seat. Only vigorous protests from multinationals — which threatened to move their financial functions offshore — persuaded the Chancellor to remove the proposals from the 1982 Budget at the last moment.

Subsequently Mr Wakeham was put in charge of proceedings, and the toned-down draft legislation is very much his creature; to emphasise the point, there were no Revenue officials at the Press launch of the document.

There has also been a lot of heated public argument over a Revenue consultative paper on imposing a withholding tax on foreign dividends earned by UK residents. After another storm of protest, the official position here seems to be softening considerably.

The increasingly adversarial atmosphere between the Revenue and the City has been mirrored in attitudes to the tax system. City institutions now think nothing of taking advantage of any tax loopholes that emerge, whereas perhaps a decade ago there tended to be a line of propriety that most would not cross.

The endless stream of tax-reduction schemes is the bane of Mr Ridley's life: "We have got to move all the time to counter these. The avoidance scheme promoters are constantly finding ways of getting round our provisions. The most unpalatable part of the job is spending so much time considering whether to step up the attack on these devices. One is always behind."

From the other side of the fence steps to minimise tax obligations look much less "sinful." According to Mr Malcolm Gammie, head of accountants Thomson McLintock's national tax office, "to the extent that the City is keener to use avoidance schemes, this reflects the disrepute into which the tax system has fallen because of the arbitrary nature of the rules."

The complex and patchwork nature of the legislation has had the effect of producing two classes of tax practitioner. The big ones are able to keep abreast of changing Revenue practice, through pooling information and regular contact with Revenue officials. As legislation is framed in more and more general terms, with greater reliance of practice, the smaller practitioners are increasingly left out in the cold.

Thus, for all their noise, the company sector and the City seem content to live with the present system, chipping away year by year to obtain concessions. The response to the Green Paper on corporation tax suggests that there is no enthusiasm there for root and branch reform. Most replies concentrated on obtaining concessions over Advance Corporation Tax.

Nor did big business show much enthusiasm for the Meade Report in 1978, whose proposals for an expenditure tax would at least have got rid of many of the problems caused by inflation.

The present system seems fated to go on becoming more and more complicated and unmanageable; one can confidently predict another bumper Finance Act this spring. For that the City is as much to blame as the Revenue it so enjoys castigating.

Earlier this week, the U.S. Government responded to similar problems by advocating a switch to an expenditure tax. Such moves on the other side of the Atlantic may give a boost to those UK practitioners who argue that the tax system is now more patches than original quilt, and that a Royal Commission should be formed to examine it from top to bottom.

Letters to the Editor

Happy influences

From Mr D. Clarke

Sir,—If the next retail price index reveals an annual rate of inflation of 5.5 per cent it is interesting to learn that a cut of VAT by 2½ per cent would reduce the rate to just over 4 per cent, and a cut of 5 per cent, restoring the VAT rate to its previous level, would reduce it to 2½ per cent.

This is massaging the figures, but if the Treasury had the imagination to see what a benign effect a modest rate of inflation would have, we would be within striking range of the only proper inflation rate . . . zero.

My figures relate only to the direct effects of a VAT cut. The happy influence of lower VAT would be a modest tonic for the economy, and a great boost to the popular appreciation of the Government.

Derek Clarke.
58 Sheffield Terrace, Kensington, W8.

Increased tax bill

From Mr C. C. Dilloway

Sir,—The explanation of Mortgage Interest Relief at Source (MIRAS) given by Eric Short (January 15) is clear to those used to dealing with financial matters. What the intending home loan borrower will make of his options is largely dependent on the quality of the explanations offered to him by the lenders. Those with the clearest explanations will have a competitive edge. Existing borrowers also have a choice to make but most of them are also in for a financial shock for which they will receive little warning.

The old system for mortgage interest relief required Tax Offices to estimate the amount of an individual's interest payments about three months before the start of a tax year. A year ago the estimates were made at a time of high mortgage interest rates. In consequence ... deducted tax. The Tax Offices now have to estimate that amount of underdeduction and will reduce individuals' PAYE code numbers for 1982-83 in order to recover the uncollected income tax.

When PAYE coding notices for 1982-83 are issued many of them will contain a quite unexpected item of underpaid tax. Home loan borrowers who have financed a consumer spending spree since the mortgage interest rates came down may well find that they are hard put to make ends meet. Because of this the Chancellor would be well advised for reasons of political popularity to make sure that his Budget compensates rather than compounds the unwelcome increase on the tax bill.

Your same issue also explains the steps being taken by Building Societies to ease the transmission of money from their accounts to pay bills by electronic means. This interest is strange alongside their reluctance to accept variable amount direct debits for mortgage payments. Well, at least my Building Society does and it is the largest. At one time I set my face against VADDs but have since come round to realise the benefits. The alternative between direct debits and standing orders comes down to two computers talking to one another and as I have to check up on what they do anyway then let them communicate at the cheapest way for me. As it is, the banks charge for standing orders and the inconvenience of always altering the amount is one of the costs of a mortgage that few borrowers are alert enough to take into account when considering a loan.

C. C. Dilloway,
Highcroft, Gunhouse Lane, Bowbridge, Stroud, Gloucestershire.

Exports v imports

From Mr R. G. Battersby.

... the companies' legislation a requirement that the amount of exports from the UK achieved by individual companies be published in the report and accounts.

To meet current criticisms from the number of sources such as the steel unions complaining about the imports by the steel industry customers and private business complaining about the imports by nationalised industries, would it be sensible to consider a similar requirement to disclose the amount of imports in both the report and accounts of companies and of the nationalised industries?

R. G. Battersby,
Development Capital Group.
88 Baker Street, W1.

Fiscal policy

From Mr Gavyn Davies

Sir,—The Financial Times leading article on January 15 did not represent our recent analysis of international and UK fiscal policy completely accurately, and I would like to put the record straight. First, our article was at pains to point out that the relative tightness of UK fiscal policy is only one of several causes of the present recession. Another primary cause has been the relative stringency of monetary policy: the reduction in the government financial deficit has not led to any sustained decline in real interest rates, and real monetary growth in the UK has been more tightly controlled than the average for the major seven economies. This is important in the comparison with Japan, to which you draw attention. On both wide and narrow real money definitions, Japanese monetary policy has been much more expansionary than Britain's in the past three years (though any simplistic comparison between these two vastly different economies runs the risk of being dangerously misleading).

Secondly, I would strongly agree with your suggestion that ... article you mention only because I have stressed its importance ad nauseam in the recent and distant past. I believe that it has been the combination of a rising real exchange rate with deepening world recession and a very tight fiscal/monetary mix which has generated the deep UK recession. A more passive policy stance, especially on the monetary side, could have held the exchange rate down and alleviated the recession—but only at the cost of a much higher rate of inflation.

Finally, your reference to party politics was not relevant to the economic argument. The exchange rate and policy changes which led to recession can be traced as far back as the end of 1976, long before Mrs Thatcher moved to Downing Street.

Gavyn Davies,
Senior Economics Consultant.
Simon and Coates,
1, London Wall Buildings, EC2.

Dip and Dazzle

From Professor R. A. Weale

Sir,—Neither your Motoring Correspondent (January 15) nor as far as I know anyone else has adduced any quantitative support for the objection to driving with parking lights in well-lit urban areas. In this particular instance it is the rest of the world that is out of step with this country. Even adjusted dipped head-lamps are a source of acute dazzle which is unhelpful to safe driving no matter whether the light comes from on-coming or following vehicles. There is the further concern that, if this legalised hazard is universally followed, local authorities will come to see the light and reduce street lighting to the detriment of pedestrians.

It is noteworthy that "flame throwing" was introduced some 20 years ago at the behest of the Lord Mayor of Birmingham, the home-town, incidentally, of J. Lucas, the well- ... dardising committees (including those of the EEC) will know that matters relating to public safety are invariably objects for haggling as between manufacturing and scientific/medical interests. This is why we are landed with doubtful compromises on the colour of windscreens, on motor-cyclists' visors, on headlamps, etc. It is possible that public safety has to bear its share in combating unemployment insofar as this may be identified with commercial interests, but at least every road-user ought to be aware of his contribution.

R. A. Weale.
Department of Visual Science,
Institute of Ophthalmology,
University of London,
Judd Street, WC1.

Ernie's lost pals

From Mr A. Taylor.

Sir,—Mr Dominic Lawson's letter on "Ernie's lost pals" January 8 does not mention *my* pet complaint as a bondholder.

One has access at the Post Office to all the numbers awarded prizes each month, and those unclaimed; one never sees the original "draw tape" and "the master list"—the full list drawn, so there is no opportunity of checking for oneself if one's numbers have been drawn and wrongly discarded.

After the initial draw which I do not question, the human element creeps in. Many clerks are involved. My past experience is that it is very easy to misfile "many digited" numbers and mistakes can often be made.

Although there are checks and double checks, even checkers cannot find a bond if it is out of position, and it could remain so, permanently.

Is the system after the initial draw by computer absolutely and always infallible? I think not.

A. Taylor.
61 Austin Drive, Didsbury, Manchester.

Saving Britoil

... Lawson's small investors in Britoil I am surprised at the almost total absence of comment from Government and the columns of the financial Press, including the Financial Times, as our initial 100p has sunk as low as 60p.

I know that the present lack of world demand for oil and the Opec talks etc can be murmured as explanations but we "favoured" small investors feel conned at the time of launching by Mr Nigel Lawson and the Government into throwing away a high proportion of our hard-earned savings.

For the benefit of the less-informed investors like myself, could you indicate the likely market value of the shares after we pay our second instalment of 115p on April 6 1983?

F. Anderson.
11, Castlemilk Crescent, Croftfoot, Glasgow.

New experiences

From Mr D. Chapman

Sir,—I refer to your report on the possible exchange of Local Government Chief Executives with Senior Civil Servants in order that Local Government staff may gain experience of the "sharp end." Whether the Civil Servants are at Deputy, Assistant Secretary or any other grade is immaterial: the really important point is that the abilities of the exchange staff should be comparable. In general Civil Service appointments, to some extent understandably, are at higher salaries than those in Local Government for comparable workload, qualification and ability and this is particularly so of the senior grades. This factor needs to be taken into account.

It could be, just, that the experience of a few years in Local Government would change the Civil Servants' view as to the end which is "sharp."

D. Chapman.
Yew Tree Cottage,

Robert Cottrell in Hong Kong describes the rise and fall of a one-time glamour stock

Carrian: not much credit for anyone

SOME EXTRAORDINARY ventures have been floated on the Hong Kong stock market over the past 10 years but the Carrian group—once thought a vehicle for fabulous private fortunes—is in a class of its own.

Today, the once-mighty Carrian's survival depends on the mercy of bankers who have lent the group over U.S.$1bn. Balance-sheet values have not so much collapsed as evaporated, as book net worth became in recent months no substitute for real asset values, slashed by collapsing stock and property markets, and a dried-up cashflow.

A highly abbreviated sketch of Carrian's corporate structure would show an unquoted parent company, Carrian Holdings Limited (CHL) which acquired between November 1979 and February 1980 the group's principal publicly quoted company, Carrian Investments Limited (CIL), formerly called Mai Hon. Little was known of CHL, other than that it contained certain travel and property interests.

Nominee companies are a regular feature in Hong Kong

CIL's main assets now are a property portfolio, plus majority stakes in two large quoted subsidiaries, shipping group Grand Marine and insurance group China Underwriters.

CHL, which owns 53 per cent of CIL's shares, is in turn owned by a nominee company, Carrian Nominee. Nominee companies are a regular feature of Hong Kong business life, where no disclosure laws exist to compel ultimate owners of quoted companies to declare their interests. Around these main companies swirls a milky way of subsidiaries, associates and joint venture parties.

At the heart of the corporate web is Carrian's chairman and lone architect, Mr George Tan, a remarkable blend of charm, blarney, brilliance and superstition. He lives in a high-walled residential compound in the beach town of Stanley, on the south side of Hong Kong Island, where uniformed guards patrol amid a cluster of Rolls-Royce and Mercedes-Benz motor cars.

Such are the trappings which Hong Kong businessmen can wear when their privately-controlled, publicly quoted vehicles roar from nowhere to a market capitalisation of HK$6bn (£587m) in little more than a year, as CIL achieved in its glamorous heyday of 1980-81.

It is far from certain that a proposed debt rescheduling scheme to rescue Carrian will go ahead. But whether Carrian lives or dies, nobody is likely to emerge from the affair with much credit.

Foreign banks, new to Hong Kong and anxious to cover overheads, found property loans the easiest business to get during Hong Kong's property boom of 1979-81. Now that the property boom has collapsed, most loans made in the last 18 months to all but tha most blue-chip property companies must be reckoned suspect. Carrian is not the only borrower in trouble.

Carrian's crash has dented even the image of the Hongkong and Shanghai Banking Corporation, the colony's largest and most august financial institution, and banker to the Hong Kong Government. The Hongkong Bank group is said by local bankers to be one of the largest lenders to Carrian. A senior Hongkong Bank executive says Carrian is a large but certainly not the largest of the bank's local corporate client relationships. The relationship was of a magnitude requiring approval at the highest levels of the Hongkong Bank's management.

Wardley, the Hongkong Bank's merchant banking subsidiary, acted for the then-unquoted Carrian group in its takeover in February 1980 of the modest quoted property company which became CIL. Wardley has also lead-managed a US$83m syndicated loan for Carrian and is now advising Carrian on its debt rescheduling needs.

Wardley, which is now fielding strings of bankers' questions about Carrian's background in the course of the debt rescheduling discussions, could be forgiven for arguing that if bankers were concerned about the group's hinterland, they should have asked their questions before rather than after they lent.

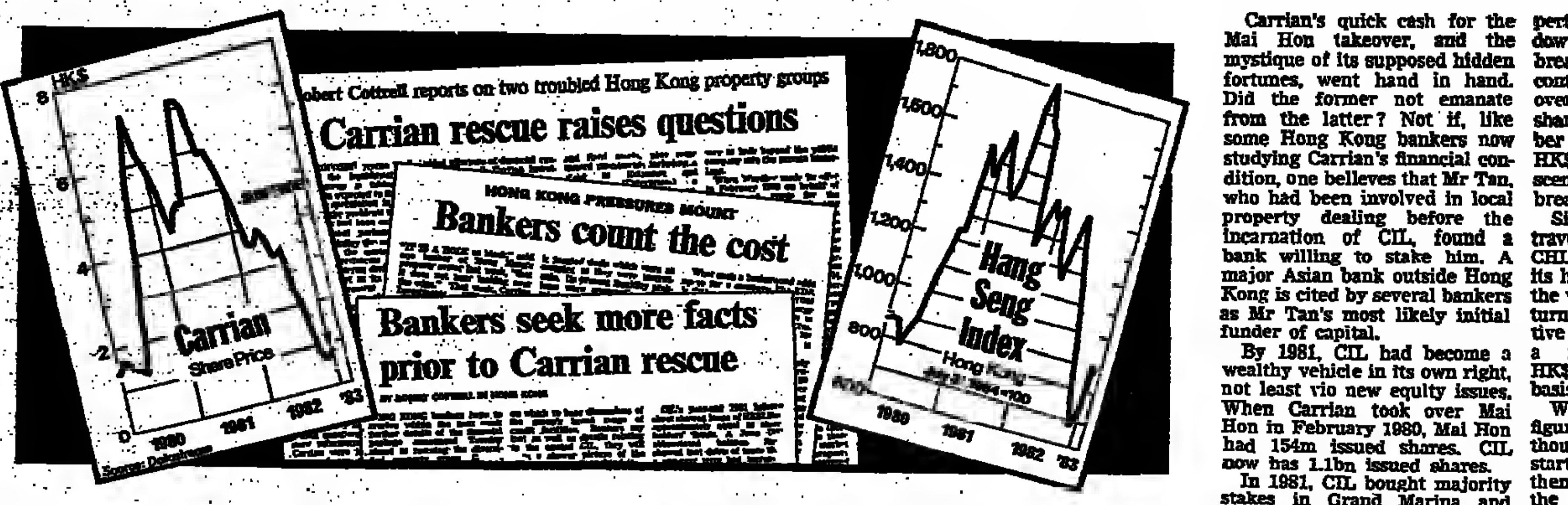
For the fact is that bankers seem to have been more impressed by the Hong Kong property boom and by Carrian's mystique than they were disturbed by its absence of track record and its appetite for borrowings. Bankers lent to CIL on the basis of its balance sheet as a public company. Most CHL borrowings are by now at least secured on CHL's holdings of CIL shares. Whila property prices continued to rise, all well and good. But lending bankers who might have thought that, if property prices started falling, then CHL's ultimate owners could always cushion the group with their own cash, have received a rude surprise.

As of November 30, 1982, at least, CHL did not have any net worth. Quite the reverse. It had a net asset deficiency of HK$1.15bn, a state of affairs which has presumably not improved in the intervening seven weeks. Moreover, the assets of CIL and CHL are almost wholly pledged and cross-pledged against loans. And so far from having cash to cushion CIL, CHL is a net borrower from the public company, to the tune of HK$168m.

But what gave Carrian the dynamic, cash-rich image which enthralled equity investors and bankers alike? Five main factors. First, timing. It caught the property boom on the way up, and rode it aggressively. Second, initial cash up-front. CHL may be a financial black hole now, but when CHL, through a subsidiary called Filomena, acquired CIL, it made a HK$6 per share offer, against book net assets of HK$ 3.56 per share, and a market price of HK$1.52 a month before the offer announcement. Good news for some investors. Third, Mr Tan, the Carrian chairman, is energetic, persuasive, shrewd, and charming. Fourth, the mystique that Carrian represented the emanation of hidden fortunes. Fifth, Gammon House.

Gammon House was the first of the big asset trades which made Carrian's name and profits. A Hong Kong office block, it was bought and resold via CIL in 1980 at an announced gross profit of HK$700m, making Mr Tan the star of the local property scene. In 1981, Carrian's big trade was the resale of a stake in Union Bank of Hong Kong, at a profit of HK$313m. In mid-1982, Carrian did it again, with a HK$204m profit on the sale of four properties to unnamed overseas investors, and looked forward to completion of the sale of another office block, China Underwriters' Centre.

What actually happened was that the China Underwriters' Centre sale fell through: the four-property sale was terminated at end-1982, while the buyer of the Union Bank stake, a group called Bylamson, failed to meet its 1982 instalment payment and forfeited both the shares and its deposit. Bylamson, controlled by younger members of a Hong Kong banking family, was also the named buyer of Gammon House. According to Mr Matt Miller, an Asian Wall Street Journal reporter who has analysed that deal, Bylamson made a down payment, failed to follow the deal through, and it was Carrian which sold the building once more to new end-users including Bank of America.



Carrian's quick cash for the Mai Hon takeover, and the mystique of its supposed hidden fortunes, went hand in hand. Did the former not emanate from the latter? Not if, like some Hong Kong bankers now studying Carrian's financial condition, one believes that Mr Tan, who had been involved in local property dealing before the incarnation of CIL, found a bank willing to stake him. A major Asian bank outside Hong Kong is cited by several bankers as Mr Tan's most likely initial funder of capital.

By 1981, CIL had become a wealthy vehicle in its own right, not least vio new equity issues. When Carrian took over Mai Hon in February 1980, Mai Hon had 154m issued shares. CIL now has 1.1bn issued shares.

In 1981, CIL bought majority stakes in Grand Marina and China Underwriters—in retrospect over-ambitious moves—spending roughly HK$400m apiece. At year-end, it reported profits of HK$626m net. And then came 1982.

The terrifying write-downs of Carrian's assets now being presented to bank lenders show an overgrown loosely-managed company with no defensive strengths, going out of control in the bear markets which hit Hong Kong property and shares through 1982, when overbuilding and political jitters collided with economic recession. By November 1982, credit lines to CIL and CHL were exhausted, almost every possible asset encumbered except a commercial development in Oakland, California.

Grand Marine's net worth is written down—on a pro forma adjusted market value basis—from HK$935m to HK$100m, while its debts total US$450m. The erosion of Grand Marine contributes to a writing down of CIL's investments in subsidiaries from HK$988m (cost) to HK$240m (break-up value). CIL's property portfolio is also writ[ten] down by HK$1bn to an estimat[ed] break-up value of HK$2.2[bn] contributing in turn to [an] overall write-down in CI[L] shareholders' funds at Nove[m]ber 30 1982 from HK$3bn [to] HK$162m on a "worst ca[se] scenario of bankers forcing break-up of the company.

Since — apart from mode[st] travel and property interests CHL contains little more th[an] its holding of 590m CIL share[s] the writing down of CIL's fun[ds] turns CHL round from a po[si]tive net worth of HK$1bn [to] a negative net worth [of] HK$1.15bn, again on a break-[up] basis.

When the shivers over tho[se] figures have subsided, anoth[er] thought may arise. Given [a] start-up financier for Mr Ta[n] then the level of borrowing the issuing of equity and th[e] adroit use of deferred terms [to] acquire assets, and utilised b[y] Carrian over its three hect[ic] years, seem between them quit[e] enough to have nurtured without any recourse to su[p]posed "private fortunes".

Legislation to compel disclosure of who owns strategic stakes

Mr Tan himself remains a[n] enigma — stories vary as t[o] his age, nationality, and pa[st] career. His corporate empir[e] has collapsed. He must hav[e] had some fun in building it.

Some local share analyst[s] hope that the Carrian affair wil[l] jolt the Hong Kong Govern[ment] into implementing long mooted legislation to compe[l] disclosure of who owns strategi[c] stakes in quoled companies. Analysts argue, its absence contributes to a Hong Kon[g] business climate in whic[h] mystery and speculation are th[e] order of the day.

Weekend Brief

Police gun law in New York

The shooting of Mr Stephen Waldorf by officers of the Metropolitan Police has highlighted the question of the controls exercised over the police use of firearms.

Among New York City Police, for example, gun use is permitted only when all other reasonable means of apprehension have been exhausted and the safety of the officer or an innocent bystander is at stake. Warning shots are forbidden, as is firing at a moving vehicle unless the occupant or occupants have "a deadly weapon."

According to New York police spokesman Sergeant Peter Sweeney, the force is further instructed not to shoot fleeing felons just to catch them. "Yon can only catch them later," is the police motto. A felon should be shot only if someone else's life is in danger.

The rules were instituted in the early 1970s after a nine-year-old Staten Island child was shot. Fewer than half a dozen shooting cases occurred in the rest of that decade.

Every bullet shot by a New York police officer is investigated. In 1980, the last complete year for statistics, there were 331 cases of spent bullets brought before the internal Firearms Discharge Board. Run by the police's Chief of Operation, the board found 42 violations of police policy, which resulted in punishment varying between retraining and dismissal.

Any death caused by a police officer is automatically brought before a Grand Jury—that throwback to early English procedure by which American jnrisprudence still determines whether criminal charges are to be brought. Even when criminal charges are dismissed, a police review can discipline the policeman. In the three well-known cases of policemen brought up on criminal charges in the 1970s, one was convicted of homicide but all the officers were dismissed from the force.

The six-month police training programme contain two weeks of weapons training, during which the rookies shoot 1,100 rounds of bullets. The standard .38 calibre guns are bought by the officers for $157 while they are still in training. Though the police have carried guns since the term "police officer" was started in colonial times, the policy of standardised gun issue accompanied by training goes back to Teddy Roosevelt's term as New York City police commissioner in 1896.

The Alice In Wonderland industry

... regarded as a modern phenomenon. However, an interesting comparison which dates back over 100 years has recently been discovered.

When the shy Oxford don, Charles Dodson, took the pseudonym of Lewis Carroll and created the literary classics *Alice in Wonderland* and *Through the Looking Glass*, he was unaware that his fictional fantasies would give birth to a substantial "Alice industry."

From the plethora of ensuing bric-a-brac it is obvious that the 19th century entrepreneurial spirit recognised a worthwhile bandwagon every bit as sharply as today's marketing opportunists.

Mrs Mary St Clair of Upton House, Tetbury, Gloucestershire, is the only grand-daughter of Alice Liddell, the real-life inspiration for Lewis Carroll's fantasies. Since Upton House is now for sale (on the market for £500,000), Mrs St Clair has been cataloguing the contents of her cavernous attics, which have yielded an emporium of international memorabilia.

"The Alice books were translated into every language in the world—even Russian, Braille and Esperanto," she explains. "Everything connected with Alice was simply devoured. Fortunately, my father was very proud of his mother, and was also something of a magpie, so ha managed to collect a good deal of what was produced. I brought it with me to Upton House."

These relics of the past will shortly be on show to a wider public in a special exhibition at Christ Church, Oxford. They include "Alice" playing cards, ceramic tiles, trinket boxes, cardboard figures, wooden toys, and although there were no suitable moulded plastic items to embelish at that time, the alternative Victorian outlet was endless reproductions of Alice and her accompanying characters as wooden cut-outs.

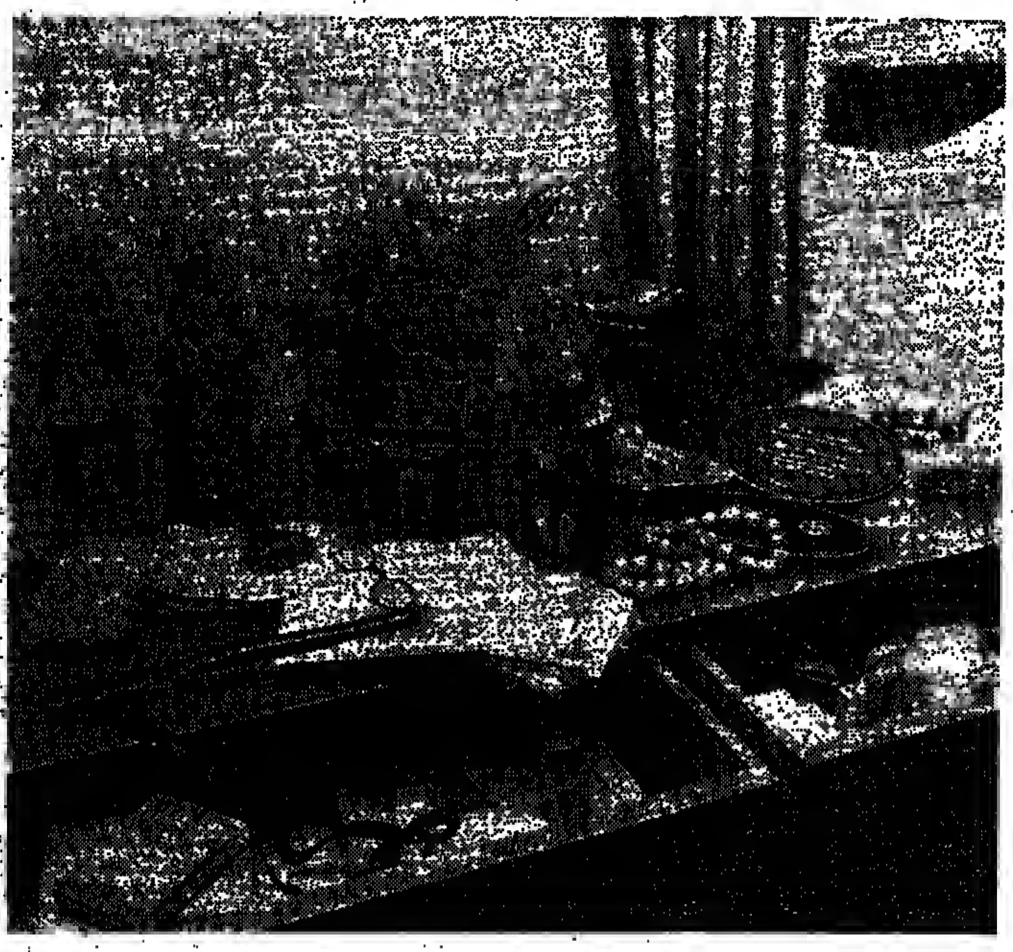
"Almost every store has had an Alice display at some time, and there are some quite extraordinary things scattered about the world," says Mrs St Clair.

It seems the hero and heroine of this saga have sustained a devoted camp of global followers to this day, which would almost make the fan club of any contemporary idol look puny. "There is the Alice Society, the Lewis Carroll Society—even the League of Helpers of Wonderland in America. They all meet regularly, and on any anniversary or centenary there is a tremendous surge of interest."

In addition to the mass-produced bric-a-brac, Alice's own possessions have also passed into the archives as collector's items—including her milk teeth set into gold rings, fans, jewellery, fob-watches, prayer books, embroidery scissors lorgnettes, and culminating in a stack of all the cheques she ever signed.

The original manuscript was sold by Alice herself to the U.S. to pay death duties, but the British Museum were able to buy it back some years later at what is now considered a bargain price of around £25,000.

"I could have sold all these other things for a lot of money, but it seemed mean to do that when there is so much public interest," says Mrs St Clair. ...



Some items from the 19th century "Alice industry"

This year is the 150th anniversary of Lewis Carroll's birth, and the products of the "Alice industry" have obviously proved something of a blue-chip investment. It could well be worthwhile storing today's commemorative trinkets in the bank rather than the nursery.

In Jimmy Hoffa's footsteps

If the past is any guide, no one will ever discover just who shot Allen Dorfman on Thursday afternoon. After all, the FBI has never even found the body of his patron, Teamsters' Union president Jimmy Hoffa, who disappeared in 1975.

But his killing is an ugly reminder of the fact that organised crime in America is not just a Hollywood fantasy. For years, Dorfman's name had been linked both with some of the most sinister figures in the American underworld and with the powerful Teamsters Union. He had already survived one previous assassination attempt, a 10-month spell in prison, and several indictments.

Last month, he was found guilty—along with Roy Williams, the current Teamsters' president, and three others—of attempting to bribe a U.S. senator. They were all due to be sentenced next month.

He also faced an extortion indictment in Chicago and a second charge in San Francisco. On Thursday, as he walked into a restaurant on the outskirts of Chicago, two unidentified gunmen shot him at least six times in the head. Said a police official: "A lot of people in the criminal world will sleep better tonight knowing that Dorfman is silenced."

Dorfman's stepfather, a Chicago mobster of the old school, is reputed to have been Jimmy Hoffa's link with organised ... unparallelled power in the union. Whatever the precise connection, Hoffa set up the youthful Allen Dorfman in an insurance agency and in 1950 secured him the life insurance business of tha Teamsters' Central States Pension Fund. Within a few years, he was a millionaire.

As early as 1959, Robert Kennedy and the McClellan committee on improper activities in the labour field devoted considerable attention to the affairs of Dorfman and his father. By the late 1960s he was in effective control of all the Central States Pension Fund's affairs.

That financial power, together with his apparent ability to scare the wits out of senior Teamsters' officials, was put to extraordinary effect in the next few years. Until the U.S. Labour Department was forced to intervene, the pension fund poured huge sums into dubious activities like huge investments in Las Vegas casinos.

Now Roy Williams, the third out of the last four Teamster bosses to be convicted of a felony in a Federal Court, waits anxiously for the judge's decision. The 67-year-old $225,000-a-year labour leader also has to contemplate the problems of a union which, although still the nation's biggest, is facing enormous new challenges. Its industrial muscle power has been much reduced by deregulation in the trucking industry and the recession. The job's not like it used to be in Jimmy's day.

The Crucifixion in dramatic advertisement

An increasingly aggressive and controversial Roman Catholic Church in Canada has stunned Toronto with a recruiting drive for priests. ... Christ on the cross with clearly visible nails through his wrists a spear wound in his side and a crown of thorns on his head. The crucifix is superimposed on an urban skyscraper background; across the top are emblazoned the words "Dare to be a priest like me."

The words, said the Rev Sean O'Sullivan director for vocations for the arch diocese of Toronto, are an npdated message from the gospel according to St Mark 8 : 34. "Anyone who wishes to be a follower of Mine should must leave self behind: He must take up the cross and come follow Me." Since the posters started to go up, complete with an arch diocese telephone number, Sean O'Sullivan says there have been around 200 telephone calls about the posters including 10 from men wanting to talk about the possibility of joining the priesthood.

The need for priests is urgent: "The situation is very serious" said Father O'Sullivan. "Unless we make a concerted effort It will get worse." Both the Catholic population—now at 1m, out of the 3m people in the Toronto area—and church attendances are growing. At the moment there is one priest per 3,000 Catholics but with retirements over the next three years that figure will go down to one priest per 4,000 Catholics.

The campaign comes at a time when the Catholic Church in Canada has sparked controversy as a result of an economic report prepared by the Canadian conference of Catholic bishops. The report scathingly attacked the Trudeau Government's economic policies and called for spending to alleviate unemployment. "We firmly believe that the present economic realities reveal a 'moral disorder' in our society" the report said.

Contributors:
Frank Lipsius
Judith Stares

Economic Diary

TOMORROW: Department of National Savings' monthly progress report for December. Opec meeting in Geneva.
MONDAY: EEC foreign affairs council meets in Brussels (until January 25). NUM executive in talks with NCB. Institutional investment (third quarter).
TUESDAY: EEC fisheries council meeting in Brussels. EEC economic and social committee in plenary session in Brussels (until January 27). New vehicle registrations for December. Bricks and cement production figures for fourth quarter. President Reagan's State of the Union address to Congress. Start of two-day debate in Commons on Falklands (Franks report).
WEDNESDAY: EEC budget council meeting in Brussels. FT conference on "Cable television and satellite broadcasting" at Inter Continental Hotel, W1 (until January 27). GATT Council meets in Geneva. Mr Terry Duffy, AUEW president, and Employment Secretary, Mr Norman Tebbit, at Industrial Society conference on nnioo democracy at 3 Carlton House Terrace, SW1. TUC general council meets. Expiry date for the EEC Commission's interim approval for Britain's fisheries protection measures.
THURSDAY: Employment i[n] the production iodustries i[n] November. Energy trends fo[r] November. Uneoiployment an[d] unfilled vacancies (December—final). Stoppages of work due t[o] industrial disputes in December. Overtime and short-time working in the manufacturing industries in November. UK trade figures for December. U.S.-Soviet talks resume in Geneva on limiting intermediate raoge nuclear missiles in Europe. Nato-Warsaw Pack talks on reducing armed forces in Europe.
FRIDAY: Sales and orders in the engineering iodustries for October. Final December ca[r] and commercial vehicle production figures.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Ioterest paid moothly
Anglia	6.00	6.25	7.50	7.25	3 yrs., 2 mths.' withdrwl. ootice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (oo pen.)
Britannia	6.00	6.25	7.25	7.25	Optioo Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.50	2-4 years
Chelsea	6.00	6.25	7.50	7.70	3 yrs., £1,000 min. 90 days pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no peoalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notire
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50		6.75-7.35 (3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Ioterest Plus, 3 months' wdl. ootice or loss of ioterest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 mooths, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days. 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	8.25	5 yrs., 7.25 1 mooth iot. pen.
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min.
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, min. deposit £500
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—		7.00-8.00 on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.25	7.25	High Interest share. 7.25 3 yrs.
Norwich	6.00	6.25	7.50	7.35	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50		7.00-7.15 (1 mth.) 7.25 3 yrs.
Sussex Mutual	6.25	6.50	8.00		6.75-8.00
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.50	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths.' not with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

This table is published each Saturday. Societies wishing to be ...

Hambro Life's managed funds pass £2bn mark

TOTAL FUNDS under management by the Hambro Life Group, including Allied Hambro Unit Trusts, passed the £2bn mark last year, rising from £1.58bn to £2.08bn at the end of the year. In addition, the recently acquired Dunbar Group manages funds of £98m.

However, the new business figures announced for 1982 showed that the main life company had a very dull year with no improvement in the second half. New annual premiums rose by only 4 per cent from £66.8m to £69.6m, though single premium business performed better with a 24 per cent rise from £106.9m to £132.2m.

The index of new business used by the company—new initial commissions paid—showed a rise on the year of just 6 per cent from £34.7m to £36.7m. New sums assured rose marginally from £2.85bn to £2.94bn.

Total premium income received in 1982 showed a healthier 19 per cent rise from £213m to £254m, reflecting the new business performance of earlier years.

The unit trust subsidiary, Allied Hambro, had an excellent year for new sales, in line with the unit trust movement generally. Sales, excluding those to Hambro Life, advanced by nearly 80 per cent from £19.8m to £35.2m.

The company continued to show growth in both its self-employed and pensions business which rose by nearly 20 per cent. But this accounts for 40 per cent of overall business and life assurance regular premiums fell by 5 per cent.

Hambro Life has been undertaking a complete revision of its life and pensions contracts with a view to improving and modernising the products. Yesterday it lauoched the first of its new-style plans—the Adaptable Life Plan to replace the Hambro Whole Life Plan.

This plan when it first appeared over five years ago was a winner introducing revolutionary concepts to life protection and savings contracts. But other life companies hava refined Hambro Life's original idea.

The new Adaptable Life Plan takes the theme of linking the plan to actual experience by applying this not only to investment performance but to mortality and expenses. The result is that cover under this new contract is up to 18 per cent higher for the same premium on the old plan.

See Lex

Home Farm advances by £0.1m

TAXABLE PROFITS of pork butcher, Home Farm Products, rose by £100,000 to £550,000 for the half year to November 27 1982. Turnover increased by £5m to £12.74m and included an additional £1.5m from an outside dealing in live pigs, which did not affect profits, and which has now ceased.

The directors say it is too early to forecast the year's results, but while they do not anticipate that second-half figures will necessarily equal those of the first, the year's results should still be satisfactory.

The net interim dividend is maintained at 1.15p per 10p share—last year's total payment was 2.9p on pre-tax profits of £931,198 (£667,049).

Tax for the first half of the current year was up from £234,000 to £286,000 giving a net balance of £264,000, compared with £218,000. Stated earnings per share improved from 4.69p to 5.74p.

● comment

Shares in Home Farm Prodncts were already at peak levels ahead of the interim statement, and the absence of a dividend increase left little reason for mnch fresh enthusiasm—the price rose 4p to 106p. But a 22 per cent rise of increase in pre-tax profits exceeds that of the last fiscal year, and maintains, for the present at least, a highly satisfactory trend. The board is always cautious about the outlook, but profit margins appear to have improved slightly in the six months reviewed, reflecting a welcome period of stabilisation in import prices. Plant operating rate has edged up from 75 per cent to 80 per cent of total capacity, which reflects well on the tripling of facilities at the Gainsborough slaughterhouse, and the acquisition of Bowers in 1981. The current dividend yield is just 4 per cent. Last year's CCA cover was 2.9 times.

Lonrho and Fraser clash over Harrods profits

BY JOHN MOORE AND RAY MAUGHAN

A major clash is looming between Lonrho and House of Fraser over the presentation of the profit figures of Harrods of Knightsbridge, the store which Lonrho is seeking to float off from the Fraser empire in a demerger scheme.

Fraser has been forced by Lonrho, its largest shareholder with 29.99 per cent of the equity, to present proposals for the demerger of Harrods. Last November, Lonrho gaioed the support of Fraser shareholders at an extraordinary general meeting for its resolution calling on Fraser directors to consider the possibility of a demerger and report back to shareholders in 90 days.

Fraser said this week that it could not complete its consideration within the 90 day period after the completion of a 366 page study into the implications of a demerger.

Fraser's 366 page report has been presented to a "case committee" formed of leading pension funds, which hold shares in tha company. The pension funds are seeking their own independent advice from outside consultants—at an estimated cost of £50,000—on the contents of the report and hava sought further information.

Lonrho has prepared its own 50 page report on the demerger plan, arguing the general principles of a demerger with supporting figures. It is also understood to have taken extensive legal advice.

Lonrho and Fraser are set to clash over the way in which the figures for Harrods have been presented. A substantial difference of opinion has emerged over the treatment of central group overheads, particularly in relation to debt servicing charges.

Analysts believe that Harrod's profits peaked in 1977 and Fraser is understood to have shown that the store's pre-tax profits bave fallen in the past five years from around £17m to between £11m and £12m.

Lonrho is understood to see Harrod's profitability in a different light. If Fraser had allowed Harrods to retain its own liquidity rather than utilising the cash for development elsewhere in the Fraser group, Harrods would have maintained profits at around £22m over the past five years. Thas compares with Fraser's last reported pre-tax profits of £28m.

Pennine creditors settlement

By David Dodwell

Airline creditors to Pennine Commercial Holdings, which include British Caledonian and British Aerospace, have agreed to settle for a "nominal" repayment which bears no relation to the £5.5m officially owed them by the company, Mr Temple Melville, Pennine's new managing director, disclosed yesterday.

Mr Melville said that discussions with various creditors to the Manchester-based travel, motor and estate development company, which has teetered on the brink of insolvency since the collapse of a major creditor in June last year, bave been completed successfully.

At an extraordinary meeting of Pennine Commercial yesterday be detailed plans for the financial reconstruction of the company which involve a capital reorganisation, a rights issue to raise about £1.5m, and conversion of loan stock amounting to about £2.5m into shares.

Prominent in the rescue of Pennine has been Dumgoyne Investments, a private Glasgow-based company, which has agreed to provide properties worth at least £750,000 in exchange for shares in Pennine. Set up four years ego, Dumgoyne is owned by the family of Mr Melville, who became the managing director of Pennine earlier this month.

"The effect of the reconstruction is that all of tha bad news is going to be written off," Mr Melville said. "We can start afresh—ungeared, with cash to spend, and quite a few attractive properties."

Full details of the company's settlement with airline creditors will be sent to shareholders before the end of February. Similarly, the settlement with Isle of Man-based Savings and Investment Bank, whose collapse last June triggered Pennine's crisis, will be detailed.

The company is proposing to reorganise share capital so that every 10p share will be converted into one 1p share credited as fully paid and nine 1p shares that are non-voting, non-participating and deferred.

Precise details of the rights issue are yet to be formulated but the company aims to raise £1.5m, Mr Melville said. Loan stockholders will be asked to convert their holdings into new 1p ordinary shares at a rate of 100 for every £1 of loan stock held. Loan stock holders will be entitled to participate in the rights issue.

If the reorganisation is completed as expected, Dumgoyne will own about 19 per cent of Pennine's enlarged share capital.

In his role as head of Dumgoyne, Mr Melville said: "We have been looking for two years for a public company within which to place our assets in exchange for shares." He plans to open Dumgoyne offices in Manchester and London.

INGALL INDUSTRIES

The acquisition by Ingall Industries of Roberts and Brain has been completed.

The shares allotted as consideration have all been placed through the market.

ORE down but sees recovery

Underwater acoustic instrumentation supplier, ORE suffered a sharp fall in taxable profits from £356,000 to £57,000 for the year ended September 30 1982. At the six months stage losses were higher at £88,000, against £46,000.

Turnover was up from £1.47m to £1.93m and there is no dividend for the year.

However, incorporation of the new survey operation, penetration of wider markets with the company's traditional leasing business and developments at Bell Electronics provide the opportunity for a "substantial improvement in profitability in the current year," the directors state.

The main subsidiary, J. Mills Electronics, which already trades as Bell Electronics, has had its most successful year to date directors say. Both turnover and profitability were increased and an additional £50,000 was spent on private venture research and product development.

Resulting major new products include a highly accurate acoustic navigation and telemetry system and an innovative acoustic current meter. Bell has also successfully deployed more resources to further its investment in the military applications of its technology, the directors explain.

The company's UK design and manufacturing capability has enabled it to make inroads into the increasingly important sub-sea engineering market, which requires an ever increasing flexibility in electro acoustic technology.

Current order book at Bell is substantially higher than a year ago and an important feature of this growth, directors say, is the company's ability to combine the advantages of involvement in both commercial and military projects in allied fields.

Group turnover for the year, including for the first time a full year of J. Mills Electronics, has increased, but profits suffered due to large increases in interest—£105,000 (£18,000)—and depreciation charges. These increased costs resulted from a decision to increase the company's volume of lease pool equipment.

Tax charge for the year amounted to £33,000 (same), there were minority credits of £4,000 (£14,000 debits), but there was an extraordinary debit of £32,000 (nil) comprising the costs of admission to the Unlisted Securities Market and acquisition negotiations. Earnings per share, before these items, are shown as 1p (16.1p).

● comment

The market was taken by surprise yesterday by the announcement of only £57,000 pre-tax profit from ORE, compared with £356,000 last year and newspaper forecasts of £600,000 for 1982. The shares dropped 17p at first, but returoed to their previous level of 230p by the end of the day, probably because of a bullish statement from the company about prospects for the current year. After a successful leasing year in 1981, the company had hoped to lease more equipment than it sold in 1982. Unfortunately, the demand was not there, so ORE was left with unwanted equipment on its hands and therefore higher interest and depreciation charges. Most of that surplus equipment has been sold since September, and the company has now formed a subsidiary to market its services. It hopes to move into new markets abroad, especially in the Mediterranean and offshore West Africa, and sees these poor results as an "aberration." Judging by the enthusiastic description of Bell Electronics' profit performance, it looks as if the other companies were trading at a loss. Capital gearing is standing at over 80 per cent, so a rights issue might not be out of the question. Even if ORE repeats its 1981 performance in the current year, the shares still stand at a sky-high prospective p/e of nearly 40, with no yield.

J. Dyson £0.18m loss halftime

Reporting a pre-tax loss of £180,000 for the six months to September 30, 1982, against a £304,000 profit last time, Mr Gerald Lomas, the chairman of J and J Dyson, warns that the outlook for the remainder of the year is bleak.

He adds however, that the group is determined to emerge from this slump successfully and states "we have all the necessary ingredients, given a reasonable climate, for a successful future." Dyson's activities include the manufacture of refractory materials and articulated trailers.

It is hoped that in the year 1983-84 the extension of the mining of the group's fireclay, coal and other mineral resources will commence and make a welcome addition to profits.

As an indication of the board's confidence in the future, the interim dividend is being maintained at 2p net per 25p share—last year a total of 4p was paid on taxable profits of £329,430 (£490,217 loss).

Turnover for the first six months slipped from £17.04m to £16.88m. There is again no tax, but including an extraordinary credit of £679,000 this time, the net available surplus was ahead from £304,000 to £499,000.

Economic conditions, particularly those affecting the refractories side, worsened considerably during the period and show no sign of improvement. Action has been taken to further reduce labour and administrative costs in order to contain costs.

M and G Trailers (Lye) has now moved into profitability following the recommendations of the Armitage Report with regard to maximum gross weights of heavy vehicles. The chairman says the group's customers now bave the confidence to place orders and prospects, therefore, look good.

Scottish Ontario to be unitised

BY RAY MAUGHAN

SHAREHOLDERS in Scottish Ontario Investment will shortly receive proposals from Martin Currie, the managers, to unitise the trust.

The decision to unitise the £39m investment trust, so that the price, currently around 117p, would reflect the fund's full asset value of 139p per share, had been taken "reluctantly," the Scottish Ontario board admitted yesterday and stemmed from the influence of the trust's 29.88 per cent shareholder, Courtaulds CIF Nominees, in pressing for unitisation. Scottish Ontario's consultations with other major shareholders also revealed substantial support for such a move.

Scottish Ontario had been highly rated some six years ago until, with the abolition of the currency premium, the trust lost about a quarter of its value because of its heavy overseas bias.

Last June, the £350m Courtaulds pensions scheme acquired a 14.8 per cent stake in Scottish Ontario from the Kuwait Investment Office and subsequently built its holding up at an avarage discount of about 24 per cent to asset value before approaching Martin Currie with unitisation proposals towards the end of 1982.

Courtaulds pensions has been one of the catalysts in the contraction of the investment trust sector. It acquired outright, for example, Grange Trust in 1981. The Scottish Ontario stake does, however, represent the great majority of its investment trust holdings and it is now thought unlikely that Courtaulds CIF is in a position to participate in the exchange of shareholdings which has done so much to facilitate investment trust takeovers and to exert unitisation pressure.

The pension fund transferred, as part of the accumulation of the Scottish Ontario stake, its holding in Pentland Investment Trust to the KIO which has since sold the holding on to Throgmorton Trust, the small company investment specialist.

Throgmorton is known to have held detailed discussions with Pentland recently but it is understood that the unitisation of Pentland has not been proposed. More likely, is a takeover by Throgmorton and the introduction of substantially higher gearing to Pentland's balance sheet.

Scottish Eastern, another investment trust managed by Martin Currie, has recently raised a 12.375 per cent £10m debenture on a 30 year maturity and there are medium term plans to gear up Securities Trust and St Andrew Trust, two other funds in the Martin Currie management group.

Valuation lifts R. Green assets

R. Green Properties is backed by assets of 157p per share and net worth could be over 189p, an independent valuation of the group's portfolio has revealed. These numbers compare with assets of 121p per share in the June 1982 partial valuation and the fiercely resisted 112.3p per share cash and equity offer from housebuilding, engineering and building products group, C. H. Beazer (Holdings).

SHARE STAKES

Royal Bank of Scotland—Kuwait Investment Office has disposed of 2.05m ordinary shares, thereby reducing total holding to 15.75m shares (6.975 per cent).

Belhaven Brewery — John Berkley, director, has purchased 25,000 ordinary shares, thereby increasing his total holding to 2,450,200 ordinary (11.27 per cent).

Dollands Photographic Holdings—Mrs. B. D. Leeder has disposed of her entire holding of 45,000 ordinary shares (5.21 per cent). Ivanhoe Anstalt has acquired 50,000 ordinary shares (5.79 per cent).

Porter Chadburn—E. L. Dilks has purchased a further 68,500 ordinary bringing his holding to 261,000 (8.1 per cent).

West Coast and Texas Regional Investment — English Association Investment Trust, a wholly owned subsidiary of English Association Trust, has acquired a total of 430,000 ordinary shares (14½ per cent).

Highams:—Largs has today purchased 25,000 shares at 74p and now holds 1.319m (approx 21.74 per cent) ordinary shares.

Tilbury Group:—As a result of recent purchases, the interest of the Prudential Corporation group has increased from 547,470 to 797,470 shares representing 8.73 per cent of the capital.

Allied Leather Industries:—Barlows has become interested in 5.25 per cent of the ordinary stock. Prior to its recent acquisition, it had been interested in 4.9 per cent.

LRC ACQUIRING TYNECOLOUR

Proposals have been formulated whereby LRC International will acquire Tynecolour, a North East regional photographic processor, which also has a significant local photographic products wholesaling business.

As at March 31 1982, Tynecolour and its subsidiaries had net tangible assets of around £610,000.

LRC owns and operates one of the UK's leading photographic processing groups. The acquisition of Tynecolour will strengthen its position in the North East of England.

Samuel Heath midway drop to £174,000

For the half year ended September 30 1982 profit of Samuel Heath and Sons has been cut from £364,000 to £174,000. The necessary steps to trim operations have all taken place and the factories are working full time, state the directors of this manufacturer of brass and other metal products.

They point out that trading in the half year proved "rather better" than forecast in the annual statement, when it was said that the company was having a lean time and was making very modest profits. Exports slumped badly in the period but a little of that downturn was made up on a slightly more buoyant home market.

The newly acquired subsidiary, Elisha Mander Company, is trading satisfactorily, the directors state. Its figures are not included in the group accounts because the acquisition took place only a fortnight before the halved to £84,000 (£175,000).

Group turnover for the half year slumped from £2.06m to £1.44m.

The directors find it extremely difficult to forecast results for the full year as, up to the present, the pattero of business has not changed. In the year ended March 31 1982 the group made a profit of £570,000 and paid a dividend of 19p.

UKP-EA Growth Fund formed

United Kingdom Provident Institution, mutual assurance company, and the English Association Group, whose main subsidiary provides merchant banking services, have formed UKP-EA Growth Fund, a £2m company which will invest amounts between £50,000 and £300,000 in unquoted companies.

Richard Cox-Johnson, managing directors of English Association, is chairman of the Fund.

Bio Isolates £62,963 loss

FOR THE year eoded September 30 1982, Bio Isolates (Holdings) showed a taxable loss of £62,963. Turnover was £6,575, there is no dividend, aod loss per share is given as 0.3p—there is no tax.

In addition to the loss shown, a provision has been made to reduce the costs of the acquisition of Bio-Isolates and Bio-Technics, in the financial statements of the company and the group, to the subsidiaries, underlying net assets at the date of their acquisition.

This has contributed a further £461,542 to the accumulated deficit of which £352,612 was recognised in the pro-forma balance sheet of the group as at September 30 last, contained in the prospectus of last July, the balance representing the net operating losses of the subsidiaries from October 1 1981 to July 6 1982.

The offer for subscription last July raised a net £859,060, majority of which was put on deposit and has earned £10,585 of interest, up to September.

Negotiations with selected dairies for the first joint venture are well advanced and it is anticipated that at least one large scale plant will be operational late this year, a market development executive has been appointed to the group.

Commercial sales of Bipro from the group's existing plant bave started and recent discussions with potential users have confirmed a large demand for the product, the directors state. Plans to accelerate the production expansion programme are, therefore, being considered.

The group has been successful in acquiring world rights to the patents for which it had previously held rights in Europe only. This provides the opportunity for joint marketing and franchise agreements in addition to joint production ventures, directors state.

Applications of the group's process to other protein streams are being researched. In particular, the method for the separation of very high value proteins from blood has been desigoed aod the plant is in the course of construction.

Many first class opportunities for the expansion of the group's activity in the future have been identified and will be pursued, directors state.

● comment

Bio-Isolates is one of the most speculative stocks on the market, but yesterday was something special. The shares opened at 290p, were marked down to 255p on the results, then shot up to 310p before calling it a day at 280p. No one was particularly interested in the slip of a p and l—which was, in fact, very much in line with projections made before Bio went public. But followers of the company who may bave just begun to understand about the extraction of protein from whey, must now be scratching their heads over Bio's plans to become a sort of corporate Count Dracula, with its design for separating protein from blood. Back on the Bipro front, the group has acquired the world rights to its patents for the embarrassingly small sum of £25,000, is now producing regular orders and about a week ago received a commercial order from a U.S. food company. When Bio came to the USM it was talking about initial annual production of about 100 tons of Bipro—but it now looks as though 1,000 tons might be a better measure of demand. In order to finance that scale of production Bio will need more than the £800,000 left in the kitty. London Venture Capital Market has an option to subscribe for 769,346 shares at the original offer price of 33p by July. Thereafter a rights issue looks a distinct possibility. The retired founding director who broke the prospectus agreement by selling ½m shares last year at 70p each must now feel as though he has dried whey extract all over his face.

Edinburgh Inv. repays loans

Edinburgh Investment Trust has repaid Euro currency loans amounting to US$5.5m and intends to repay a further $5m on January 24. The company has also borrowed £2m.

Four companies wound up

Compulsory winding-up orders have been made in the High Court against the following companies: Jarray, Gradelodge Publishers, Strong Marine Construction and Shieldhold.

Results due next week

Guinness investors have lost out over the past year following a management shake-up at Arthur Guinness which led to a substantial re-rating of what was the bombed-out stock of the brewing sector. And the year-end results to September due on Tuesday are expected to show the first benefits of the cost-cutting and rationalisation programme in the Park Royal and Dublin breweries, together with large provisions taken below the line. Beer price increases and the casting-off of some of Guinness's less fortunate ventures into diversification should have boosted profit margins while the decline in its share of the UK beer market has been stemmed. The reported contribution from Malaysia is up by two-thirds but Ireland has been depressed by swingeing alcohol taxes. Analysts are forecasting a pre-tax profit of £47m to £48m and a cheery statement as the management overhaul continues and a new-style advertising campaign gets underway based on market research on an unprecedented scale. The dividend may be raised up to 10 per cent if shareholders are lucky.

John Brown will be announcing interim results for the first time next Friday, and no-one doubts that they will be not much short of disastrous. The actual figure, though, is clouded with uncertainty—there are no comparable figures for the previous year, there is no way of knowing when the company takes profit on lumpy contracts, and we do not even know whether the first half tends to be more or less profitable than the second. Moreover, when a company slides so rapidly from profit to loss, margins of error are bound to be greater. Most analysts are going for a loss of between £2m and £5m, though all stress that the predictions are highly speculative. America will be a big problem, with Leesona, the textile machinery and plastic moulding subsidiary facing what has been described as a "crucifying" collapse of demand in the capital goods sector. The UK machine tools companies are also likely to be losing money, and interest charges overall will be high. The slump in the share price, giving an extremely high historic yield, is discounting expectations that the dividend will almost certainly be cut, maybe to a level just high enough to maintain trustee status.

Dowty's profits took off in the late seventies, quintupling between 1975 and 1980, but since then the company has cruised along with profits at more or less the same level each year. The interim results for the six months to September due on Monday should show a modest uplift from 1981's rather poor first-half figure of £15.7m. Market forecasts range from £17m-£20m, boosted mainly by a good order book for the mining equipment division at the start of the year. Exports to the U.S. and Australia, in particular, have been strong, but contributions from mining could well start to tail off by the beginning of next year. The aerospace division has had the advantage of extra military aircraft work, but demand on the civil side has slumped, so its contribution is likely to be mnch tha same as last year. There should be some progress on the industrial and electronic froot, with the two acquisitions showing their colours for the whole of the period. The dividend will probably be increased a little.

There is little room for optimism in the City ahead of the full year results from Rank Organisation on Tuesday. Hopes of a resurgence of the group were dashed in July by an interim report which showed that Rank Xerox, the major profit source was stumbling, as the Japanese competition cut into profit margins. The rest of the group is in no better shape, with the Australian operation reeling under the impact of the recession and the UK leisure and industrial divisions under pressure. Profits for the full year could fall by as much as 32 per cent to £70m, before tax, and the outlook for the current year is expected to be equally uninspiring. At this level, last year's dividend would not be fully covered, so there is doubt over this year's payment. Even the bid hopes seem to have died down.

Union Discount is one of the more conservative houses in the discount market and the bullish tone of the interim statement in July was quite enough to set City hearts pounding. Since then, the sector has had to face higher interest rates, a lower level of sterling and the downturn in gilts. But these factors only took effect in the final six weeks of Union's fiscal year and have not shifted forecasts significantly. Record published pre-tax profits of £5m-£6m are likely and some optimists would predict a higher total. The excitement, however, lies in the dividend prospects. A higher final, following the increased interim, can probably be taken for granted. The latest forecasts are for a total of 42p, putting the shares on a prospective yield of 12. Attractive for the short term, although the outcome for 1983 is anyone's guess.

A slight improvement is expected from Associated Dairies, whose profits for the six months to mid-November will be announced on Wednesday. About £31m pre-tax—and a dividend hike of around 10 per cent—are forecast, as against £28.6m in the previous interim period. Eight new stores bave been opened in the first half, and it can be no coincidence that Asda's market share in groceries was estimated at 9.2 per cent for October 1982, as against 7.8 per cent in the previous year. This expansion seems to have been financed out of cash flow, and the net cash of £51m at the year end should be maintained, indicating that interest receivable will be at about the £2.9m achieved in the first half of 1981-82. The forthcoming figures will also show some exceptional costs related to the Ukay closures, but the remaining carpet and furniture businesses are thought to be profitable—just. For the year as a whole Asda could well break the £70m pre-tax barrier, suggesting that bigger improvements are dne in the second half.

Other results due next week include interim figures on Tuesday from both Macarthys Pharmaceuticals and Mercantile House Holdings, while on Wednesday Fitch Lovell will be reporting its half year profits.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Anglia Television Group	Wednesday	2.2	3.8	2.5
Darby Trust	Thursday	8.889	10.876	10.606
Ferguson Industrial Holdings	Monday	2.2	3.5	2.2
First National Finance Corporation	Wednesday	—	—	—
Glass Glover Group	Tuesday	0.8	1.7	1.125
Guinness (Arthur) and Sons	Tuesday	1.575	3.325	1.575
Habit Precision Engineering	Thursday	—	—	—
Karshaw (A.) and Son	Tuesday	6.0	15.75	6.0
Lookers	Wednesday	1.4	2.45	1.4
Meggitt Holdings	Monday	—	—	—
Olympia (Redacre)	Thursday	—	—	—
Pratt (F.) Engineering Corporation	Thursday	2.2	2.2	—
Rank Organisation	Tuesday	4.8	6.0	4.8
Scottish American Investment	Wednesday	1.25	3.15	1.4
Union Discount	Wednesday	5.0	17.0	11.0
Vantage Securities	Tuesday	0.25	0.75	0.3
Vantona Group	Tuesday	3.0	5.0	3.0
Warner Estate Holdings	Thursday	3.0	5.0	3.5
Willoughby's Consolidated	Wednesday	—	3.35	—
INTERIM DIVIDENDS				
Aerospace Engineering	Wednesday	2.75	5.5	
Allen (W. G.) and Sons (Tipton)	Friday	—	—	
Ashley Industrial Trust	Wednesday	1.5	2.0	
Associated Dairies Group	Wednesday	1.0125	1.3125	
Brown (John)	Friday	1.75	2.5	
Centreway Industries	Friday	1.0	4.0	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Fitch Lovell	Wednesday	1.491	2.97	
Garford-Lilley Industries	Thursday	0.25	1.25	
Hallite	Thursday	4.0	7.0	
Hambro Trust	Tuesday	1.59	4.12	
Haynes Publishing Group	Friday	3.0	8.25	
Longton Industrial Holdings	Thursday	—	1.0	
Macarthys Pharmaceuticals	Tuesday	2.0	5.0	
Newmark (Louis)	Thursday	4.0	7.5	
Priest (Benjamin) Group	Thursday	—	1.0	
Renwick Group	Friday	—	—	
Saville (J.) Gordon	Thursday	1.0	2.221	
Scottish, English and European Textiles	Monday	1.0	2.3	
Smith (David S.) Holdings	Monday	2.5	4.5	
Sommerville (William) and Son	Monday	0.55	1.0	
Star Computer Group	Monday	—	2.0	
Stock Conversion and Invest. Trust	Monday	1.75	2.75	
Wholesale Fittings	Friday	1.21	3.33	
INTERIM FIGURES				
Centreway Trust	Friday			
Mercantile House Holdings	Tuesday			
Morland Securities	Wednesday			
PR Industrials	Monday			
Shaw and Marvin	Tuesday			
Somportex Holdings	Thursday			
Whitworth Electric (Holdings)	Wednesday			

* Dividends are shown net pence per share and adjusted for any intervening

Abbey Life's linked business improves

GOOD RESULTS on its linked life business are reported by Abbey Life Group for 1982. New annual premiums on all life and pensions business transacted by companies within the group showed new annual premiums up by 29 per cent from £38.3m to £49.2m and linked single premiums up marginally from £65.2m to £66.3m. Non-linked single premiums however fell from £67.3m to £40.9m following the company's policy decision to cut back on this business.

Business by Abbey Life Assurance Company in the UK showed annual premiums on life business rising nearly 60 per cent from £15.4m to £24.5m, with excellent sales of the variable whole contract CoverMaster. New annual premiums on self-employed plans improved marginally from £9.3m to £9.8m, while under executive pensions schemes premiums rose 17 per cent from £10.8m to £12.7m.

premium business. Life business had a drop of nearly 10 per cent from £55.6m to £50.6m, while executive pensions single premiums edged ahead from £4.5m to £4.6m. But single premiums on self-employed pensions jumped from £2.2m to £9.8m.

The company had a successful year for annuity sales which rose by two-thirds from £7.6m to £12.8m, but income bond sales dropped from £54.6m to £20.6m, the company cutting back following Revenue action in September 1981.

Lloyd's Life Assurance reported a good year for the company and its Isle of Man subsidiary, with new annual premiums up by a quarter from £8.1m to £10m and single premiums up by a half from £26.4m to £39.4m.

A satisfactory start to its entry into the unit-linked sector in 1982 is reported by National premiums and £400,000 of pension premiums.

These figures helped to boost overall new business to record levels with new annual premiums up by a quarter to £16.4m and single premiums by two-thirds to £36.8m. Self-employed pensions premiums, annual and single, were up by a quarter to £27.23m, maintaining the company's position as a market leader in this field. Ordinary life premiums were buoyant thanks to success in attracting annuity business.

Strong growth in single premium business in 1982, up 80 per cent from £9.1m to £16.5m is reported by English Insurance Company, the group life and pension specialist in the General Accident Group. But annual premium business slipped back by a quarter from £10.5m to £8m.

The company had a successful response to its entry into the Guaranteed income bond market with sales of such bonds amounting

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Abbey	int.	1.41	March 21	1.41	—	3.94
J. and J. Dyson	int.	2	April 5	2	—	4
Home Farm	int.	1.15	May 12	1.15	—	2.9

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital

مكبر عن الاصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Alco Standard of the U.S. made an agreed 37p per share cash bid for Henry Sykes, the loss-making pump manufacturer, valuing the latter at £3.2m. Alco has already acquired ICFC's 33.1 per cent stake in Sykes, a 10.2 per cent interest from Hambros and, with other acquisitions, now accounts for 48.9 per cent of the Sykes' equity. Sykes' shares, suspended last week at 25p, returned 12 higher in line with the bid price.

E. Austin and Sons, the loss-making fork-lift truck concern, received an approach from an unnamed party that could lead to an offer for the company. Austin's share price almost doubled to 45p on the announcement and currently stands at 48p.

E. Austin and Sons, the loss-making fork-lift truck concern, received an approach from an unnamed party that could lead to an offer for the company. Austin's share price almost doubled to 45p on the announcement but subsequently reacted to 36p.

Racal Electronics, which on Wednesday came out with a disappointing interim statement, announced the purchase of Megapulse, a U.S. manufacturer of transmitters and receivers, for about £12.6m, while Bowthorpe Holdings agreed to acquire Tempo Instruments and Controls Corporation, a private U.S. electronics manufacturer, for £4.15m.

Duport, the loss-making engineering concern, agreed to sell its Slumberland Australia subsidiary to Dunlop Olympic of Australia for around £2.1m cash.

The planned takeover of Cope Allman International foundered when Sharjah, the Kuwaiti banking group, withdrew from the bidding consortium headed by British Car Auction.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Braby Leslie	84●	73	57	8.48	Anglo Nordic
Carringtn Viyella	8‡	8¼	10½††	15.66	Vantona
Ciro	80*	119	75	1.77	Swarovski Intl
Edin & Gen Ins	21½	20	13	4.60	Mills & Allen Intl
Eva Industries	44§	38	24	2.38	Anglo-Indonesian
Gillett Bros	198	190	215	5.40	Jessel Toynbee
Green (R.)	112§ §§	112	81	13.66	Beazer (C. H.)
Highams	75*	74	63	4.56	Largs
Howard Tenens¶¶	68§§	63	64††	10.81	Espley-Tyas
Ibstock Johnsen	100§§	103	80††	28.55	London Brick
Ibstock Johnsen	130	103	93	37.11	Redland
Lifeguard Assce	950*	950	407††	7.10	Mult Hlth & Life
Mixconcrete	210*	208	115	19.52	Pioneer Concrete
Rowan & Boden	60*	59	40	2.42	Firth (G. M.)
Southwest Cons	45½	37	41	9.87	Burma Mines
Sykes (Henry)	37*	36	25	3.16	Alco Standard
UDS	100*	105	89	190.7	Bassishaw Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on January 21 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AGB Research	Oct	2,800	(2,041)	2.8	(2.3)
Andre de Brett	Sept	407	(402)	1.0	(—)
Austin (James)	Sept	204	(107)	1.67	(1.67)
Banks (Sidney C.)	Oct	746	(690)	2.5	(2.25)
BET	Sept	27,070	(27,655)	1.86	(1.86)
Black (Peter)	Oct	1,780	(1,800)	—	(—)
British Land	Sept	9,630§	(8,030)§	—	(—)
Caledna Cinemas	Sept	288	(195)	2.0	(2.0)
Country New Twn	July	939	(514)	0.3	(0.25)
Courts Furnishers	Sept	2,210	(1,640)	1.75	(1.75)
Davy Corporation	Sept	3,080	(6,590)	1.1	(2.2)
Dixons Group	Nov	5,520	(6,080)	1.45	(1.38)
Gelfer (A. J.)	Sept	358	(362)	1.8	(1.7)
Guinness Peat	Oct	3,330L	(7,387)L	—	(—)
Imry Property	Sept	872	(737)	1.4	(1.2)
MFI Furniture	Nov	11,280	(7,120)	1.4	(1.1)
Mountleigh Grp	Oct	289	(231)	1.0	(1.0)
Ocean Wilsons	June	1,570	(1,880)	0.75	(0.75)
Racal Electronics	Oct	46,980	(38,440)	1.39	(1.27)
Restmor Group	Oct	650	(589)	1.0	(0.5)
Stroud Riley	Sept	520	(528)	0.75	(0.75)
Thorn EMI	Sept	27,800	(45,500)	4.05	(4.05)
Trent Holdings	Sept	152	(105)	0.84	(0.7)
Wstrn Brd Mills	Sept	882	(864)	2.0	(2.0)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise stated. † For the 15 months to April 1982. ‡ For the 12 months to January 1982. ¶ For the 16 months to October 1982. ‖ For the year to June 1981. § Revenue surplus before interest and taxation. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Abbey Panels	Sept	307	(567)	0.7	(8.3)	—	(2.05)
Assoc Newspapers	Sept	11,580	(16,240)	24.4	(25.5)	10.4	(10.4)
Bellair Cosmetics	Oct	10	(21)L	0.4	(—)	—	(—)
Berisford (S. W.)	Sept	54,740	(40,754)	26.1	(18.1)	9.0	(7.5)
Bootham Engns	Oct	106	(76)L	11.3	(—)	6.0	(6.0)
Cntryside Props	Sept	1,760	(1,311)	27.6	(20.3)	4.24	(3.85)
Dewhurst & Prtnr	Sept	127	(377)L	1.2	(—)	0.45	(0.15)
Eorotherm Intl	Oct	4,580	(3,270)	21.9	(14.9)	6.5	(5.0)
Everards Brwy	Sept	1,320	(1,600)	71.4	(47.1)	6.8	(6.8)
French (Thomas)	Oct	847	(1,660)	10.0	(27.0)	6.0	(8.0)
Gestetner	Nov	2,990L	(6,200)	—	(1.5)	1.32	(2.63)
Lincroft Kilgour	Sept	346	(321)	3.2	(5.1)	2.0	(1.0)
Lloyds & Scottish	Sept	10,700	(29,200)	5.4	(18.7)	3.87	(5.57)
Lovell (Y. J.)	Sept	3,750	(3,190)	19.8	(20.4)	4.5	(4.0)
Oakwood Group	Sept	568	(598)	14.1	(35.4)	6.5	(6.5)
SGB Group	Sept	11,380	(12,520)	14.4	(15.7)	5.5	(5.6)
Sturla Holdings	April	764	(231)	—	(—)	—	(—)
Tate & Lyle	Sept	40,100	(36,300)	48.0	(37.2)	13.5	(11.5)
Trident TV	Sept	4,340	(7,390)	3.8	(10.0)	4.26	(4.26)
Trusthouse Forte	Oct	57,100	(52,300)	12.0	(11.4)	7.0	(6.0)
UDT	Oct	3,200¶	(7,600)‖	—	(—)	—	(—)
Whatlings	Sept	693	(417)	16.3	(10.0)	2.5	(1.0)

Rights Issue

AGB Research is raising £15.035m by way of a one for four rights issue at 250p per share.

Offers for sale, placings and introductions

Bristol Waterworks Company has placed £3m in 12¼ per cent redeemable debenture stock 2004, at £99 per cent.

East Surrey Water Company is offering for sale by tender £2m 7 per cent redeemable preference stock 1988, at a minimum price of £100 per cent.

S. Pearson and Son is raising £25m through an issue of 13 per cent unsecured loan stock 2007, at £94.174 per cent.

Wight Collins Rutherford Scott is joining the Unlisted Securities Market via a placing of 640,600 shares at 150p per share.

Scrip Issue

Eurothern International—One for one.

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls April	Calls July	Puts Jan.	Puts April	Puts July
BP (USP 334)	280	45	60	—	0½	4	—
" "	300	34	40	52	0¼	11	16
" "	330	5	15	32	5	22	30
" "	360	0¼	5	14	28	58	44
CGF (USP 549)	390	157	160	165	1	2	5
" "	420	127	130	135	1	3	5
" "	460	87	95	100	1½	5	10
" "	500	47	64	77	5	20	24
" "	550	7	37	60	23	47	55
CTD (USP 75)	70	6	10	13	1	3	5
" "	80	1	5	7	5	7	11
" "	90	1	1½	—	16	17	—
" "	100	0½	—	—	—	—	—
CUA (USP 145)	120	26	25	30	1	4	5
" "	130	16	15	23	1	5	8
" "	140	5	13	17	3	9	12
" "	160	1	5½	8	16	22	24
GEC (USP 204)	157	45	—	—	5	—	—
" "	167	39	—	—	2	—	—
" "	177	29	—	—	9	—	—
" "	187	19	—	—	5	—	—
" "	157	7	29	—	4	11	—
" "	200	—	—	30	—	—	18
" "	217	1	11	—	17	30	—
" "	225	—	—	20	—	—	35
" "	537	1	5	—	35	40	—
" "	240	—	—	15	—	—	47
" "	260	5½	3	7	58	62	65
GMH (USP 342)	214	125	—	—	1	—	—
" "	220	121	—	—	1	—	—
" "	245	151	104	—	1	1	—
" "	260	81	84	—	1	2	—
" "	280	61	64	73	1	4	5
" "	300	41	44	55	1	5	6
" "	330	11	31	30	2	15	14
" "	360	2	10	16	23	29	33
ICI (USP 379)	260	114	120	—	0½	3	—
" "	280	94	100	—	1	9	—
" "	300	44	80	30	1	2	4
" "	330	44	60	60	1	5	11
" "	360	14	26	35	2	14	20
" "	390	3	13	22	20	30	34
LS (USP 283)	240	45	50	—	1	2	—
" "	260	25	30	38	3	6	9
" "	280	5	17	24	5	12	17
" "	300	1	7	13	16	91	29
M & S (USP 906)	140	64	—	—	—	—	—
" "	150	44	49	—	1	1½	—
" "	180	24	30	34	1	5	5
" "	900	5	17	56	2	15	12
" "	220	1	9	13	18	22	26
" "	240	0½	4	7	38	41	48
SHL (USP 448)	360	84	88	—	5¼	—	—
" "	390	54	60	68	0½	7	5
" "	420	24	30	40	0¼	14	20
" "	460	5	15	59	20	50	34
Option		**Feb.**	**May**	**Aug.**	**Feb.**	**May**	**Aug.**
BBL (USP 408)	330	—	—	—	9	—	—
" "	360	65	60	68	5	5	12
" "	385	—	—	—	4	—	—
" "	390	25	39	42	5	19	24
" "	420	8	17	55	18	33	43
IMP (USP 124)	90	35	35	—	0½	1	—
" "	100	25	25	—	0½	2	—
" "	110	15	18	21	1	4	5
" "	120	7	18	14	3	7	10
" "	130	3	5	—	7	14	—
LMO (USP 319)	280	47	60	57	5	8	15
" "	300	27	47	57	6	17	20
" "	330	14	25	36	90	30	42
" "	360	5	14	—	45	52	—
" "	390	3	6	—	75	80	—
LNR (USP 98)	60	39	—	—	0¼	—	—
" "	70	29	—	—	1	—	—
" "	80	19	20	22	1	2	5½
" "	90	8½	12	14	1	5	7½
" "	100	3½	6	8	5	11	13
P & O (USP 118)	100	19	24	25	2	3	5
" "	110	10	15	18	3	6	9
" "	120	4	10	13	6	10	15
" "	130	2	5	8	14	17	21
" "	140	1	3	—	24	27	—
" "	160	0½	1	—	43	46	—
RCL (USP 479)	420	62	—	—	2	—	—
" "	460	30	47	63	7	14	20
" "	300	11	30	42	27	34	40
" "	550	5	12	25	77	77	77
" "	600	2	4	12	127	127	127
" "	650	1	2	—	177	177	—
RTZ (USP 514)	360	152	—	—	1	—	—
" "	390	122	127	—	1	2	2
" "	420	92	97	100	1	5	10
" "	460	52	70	70	1½	19	17
" "	500	16	45	50	12	25	35
" "	650	7	23	33	47	52	52
VRF (USP 112)	50	65½	—	—	0½	1	—
" "	55	60½	—	—	0½	1	—
" "	60	55½	55½	—	0½	1	—
" "	70	45½	44	44½	0½	1	—
" "	80	33½	34	34½	0½	1	—
" "	90	23½	24	25	5¾	9	5½
" "	100	13½	16½	21	1¼	5	7½
" "	110	5½	12	18	5	10½	15
" "	120	2½	7½	14	8½	16	17½

Jan. 21 Total Contracts 4,896 Calls 1,452 Puts 703

APPOINTMENTS

Equity & Law deputy chairman

Mr Martin Harris has been appointed deputy chairman of EQUITY AND LAW LIFE ASSURANCE SOCIETY. He has been a director since 1981.

★

Mr Robert Maxwell, a director of SELECTV has agreed to act as chairman. He replaces Mr Mark Shelmerdine who has decided to resign as chairman and director of SelecTV to concentrate on London Films, of which he is chairman and majority shareholder. Mr Shelmerdine intends to retain his investment in SelecTV.

★

Mr Colin Ganderton has been appointed chief executive of J. JOHN MASTERS, distributors of Swedish Match consumer products and Reynolds Tobaccos in the UK. He joined J. John Masters as managing director in 1979 from Dymo.

★

ERMA has appointed two executive directors: Mr Vic Lavell has been appointed sales director after two years as UK sales manager and one year as field sales manager; Mr Geoffrey Marx, marketing manager, has been appointed marketing director, responsible for overall marketing activities, export sales and technical development.

★

Following the separation of the company from Berger Paints, RESINOUS CHEMICALS has become a trading company in its own right and remains a wholly-owned subsidiary of Berger Jenson & Nicholson. Mr W. M. Collins, a director of BJN, is appointed chairman and Mr C. H. Morris becomes managing director. Mr F. N. Norris, operations director, succeeds Mr Morris as commercial director and Mr J. W. Mason is appointed company secretary.

★

Mr Kenneth H. Atterbury has been appointed as an executive director of COURTNEY, POPE (HOLDINGS) and succeeds Mr H. Botten as managing director of the Lighting Maintenance Company. His responsibilities will also extend to the newly-acquired Allom Lighting, Southampton. He was manager of Philips Electronics, group projects (UK).

★

GRAND METROPOLITAN has appointed Mr Frank J. Pizzitola as a non-executive director. He is a general partner of Lazard Freres and Company, New York. His directorships include the Pirelli Cable Company, Lyonnaise American Holdings, Inc, Aqua-Chem, Inc, and General Waterworks Corp. Grand Metropolitan's main operating subsidiaries in the U.S. are the Liggett Group Inc and the Inter-continental Hotels Corp.

★

Mr Peter Humphries will retire as deputy chairman of the HOUSE OF FRASER on January 31, but will remain on the board as a non-executive director. Mr W. G. Crossan will succeed him, and remains group managing director.

Mr W. G. Crossan, deputy chairman, House of Fraser

★

Dr Jose Juan de Olloqui, president of Banca Serfin, Mexico, has succeeded Mr Peter Lunn as chairman of EURO-LATINAMERICAN BANK. Mr Guido Hanselmann, general manager of the Union Bank of Switzerland, has been appointed vice-chairman.

★

The ASSOCIATION OF DISTRICT COUNCIL TREASURERS has elected the following officers for 1983-84: president Mr D. Wardman (Blackpool Borough Council); vice-pesident Mr S. Capon (Canterbury City Council); past-president Mr J. M. Rogers (Eastbourne Borough Council); honorary secretary Mr A. Scholes (Norwich City Council); honorary assistant secretary Mr G. H. Longden (Hove Borough Council); honorary treasurer Mr J. F. Hicks (Reading Borough Council); and honorary editor Mr L. Lockey (St Edmundsbury Borough Council).

★

Mr Terry Bradley, a local director of BARCLAYS BANK'S Nottingham district, has been appointed senior local director. Mr Harry Faure Walker, previously senior local director of Barclays York district, has been made senior local director of the bank's Peterborough district. Mr Geoffrey Milligan, currently divisional general manager of Barclays group property division, has become senior local director of the bank's London Northern district.

★

Mr Derek B. Kimber has joined the board of EGGAR FORRESTER (HOLDINGS) as a non-executive director.

★

BERKS BUCKS AND OXON FARMERS, a £22m turnover agricultural co-operative society, has appointed Mr R. A. Wensley to be managing director on the retirement of Mr T. E. Wilson. Mr Wensley joins from Heygates & Sons, Northampton, where he has been general manager of animal feeds and agricultural merchanting activities.

★

The BRITISH-AMERICAN CHAMBER OF COMMERCE has appointed Mr John H. Walsh, as UK representative.

★

GUARDIAN ROYAL EXCHANGE ASSURANCE has appointed as directors to its subsidiary GRE Pensions Management: Ms Carolina M. Burton, Mr Derek W. Allen, Mr Martyn Baker, Mr John W. King and Mr Tom M. O'Connell.

CONTRACTS

Laing builds £20m City office

WORK HAS started on a 35,000 sq m office and shops development at Finsbury Aveoue, EC2, under a £20m management contract awarded to LAING MANAGEMENT CONTRACTING by Rosehaugh Greycoat Estates.

Due for completion in August 1984, the new building will have two basement levels and eight storeys above ground, and will contain office suites, car parking space, shops, a public house, a restaurant and a sports club for use by occupants and local residents.

Construction will be of steel frame with flooring of composite metal deck and concrete slab, and external cladding of a steel framed insulated curtain wall.

Focal points will be the central atrium and the external solar shading. A feature of the building is that the external facade is heated to counteract perimeter heat loss by incorporating a hot water system within the hollow steel frame of the cladding.

★

Export orders in excess of £150,000, which represents 5,000 units, have been won by WENTWORTH FURNITURE, Liverpool, manufacturers of the Wentworth range of kitchens formerly produced by Hygena.

★

A £2m contract to computerise one of the largest privately-owned motor vehicle concessionaires in the world has been signed between KERRIDGE COMPUTER CO. of Newbury, Berks., and Abdul Latif Jameel in Saudi Arabia. Kerridge chairman, Mr John Bennett, said that the 120,000 Toyota vehicles imported annually by Abdul Latif Jameel are equivalent to certain large European manufacturers' entire market in the UK. Thet Kerridge Autolime system for automotive dealers will be installed on a pilot basis initially, and will expand to cover all 12 retail outlets of the Jameel company. In practice, the programme covers all invoices at point of sale for vehicles, spare parts and workshops and the automatic link for these transactions to accounting and administrative functions.

★

BENDIX industrial instruments division has been awarded a contract worth about £1m to supply process gas chromatographs and a distributed analyser control system for the Esso Chemical ethylene plant at Mossmorran. The order was placed by Ludlam Engineering.

★

INDEPENDENT COMPUTER ENGINEERING is to supply SUSS Gmbh and Wapro Gmbh, both West German organisations, with its range of computer products, including the ICE Subsystem and ICE Multiplexor. The contract is expected to be worth £2m in the first year alone. The ICE Winchester subsystem incorporates a 5¼ inch Winchester drive and offers full software support and diagnostics. The ICE Multiplexor is a micro-processor controlled device which allows multiple user access to disc storage systems.

★

MEL of Crawley has won an order from the China National Chemical Import and Export Corp. for two medical linear accelerators. The order, worth nearly £850,000, consists of one 20m electron volt (MeV) unit and one 14 MeV unit together with ancillary equipment and installation. They will be used at the Cancer Research Institute of the Chinese Academy of Medical Science in Peking.

★

MILLER BUCKLEY has won contracts worth a total of £3m. Phase 2 of an office development at Swindon for Redlake Securities, worth £2m, is due to be completed in October; a £262,000 extension to the powder coating factory at International Paints, Felling; work at the Midland Bank branch and management centre, Covent Garden is worth £247,000; a contract valued at £211,000 has been started for Avis Rentacars at the Uxbridge Bakers Court development; British Waterways Board has awarded the £410,000 contract for lining repairs to the Netherton Tunnel at Dudley.

★

GABRIEL MANUFACTURING CO., Torbay, a subsidiary of Tecalemit, has an export order from the West German aircraft builder Dornier worth over £1m for the supply of a high technology microwave waveguide system incorporating flexible and rigid hybrid waveguides.

★

H. H. ROBERTSON (UK) has won orders worth £3.5m for its protected metal wall and roof cladding panels. Export orders include £1m worth of cladding for two petro-chemicals projects in Saudi Arabia, and a £200,000 order for specially-developed acoustic walls and roof for a power station turbine house in the Middle East. In the UK, contracts include cladding worth almost £500,000 for micro-electronics factories in East Kilbride and Cheltenham. In the public sector, contracts have included £400,000-worth of cladding for government buildings, and £150,000-worth of composite panels for the RAF.

Tarmac wins £9m order

Liverpol Airport heads a list of contracts, together worth more than £9m, awarded to TARMAC CONSTRUCTION. Cubitts—part of Tarmac Regional Construction — has a £1.4m contract from Merseyside County Council for concrete apron and roadworks, including drainage and lighting, at the airport. Other work on Merseyside awarded to Cubitts includes demolishing a bus station and building a post office at New Ferry, Wirral (£650,000): and building a steel-framed building with car park and access road for British Gas in Liverpool (£284,000). Tarmac Regional Construction has two contracts on the South Coast, together worth £1.2m, for reinforced concrete silos for Blue Circle Industries at Poole and Southampton. In the West Midlands the company's contract housing organisation has five contracts, together worth £3.3m, for improving local authority homes at Wolverhampton, Walsall and Cannock. Similar work in Sheffield is valued at £483,000. Other contracts include road improvements on the A173 at Guisborough, Cleveland, for Cleveland County Council (£419,000); land reclamation at Rowley Regis, West Midlands, for Midland and General Homes (£409,000); a retail unit and external works at Evesham, Worcestershire, for Swiftacre (£625,000); and storage facilities at Kincardine, Fife, for the South of Scotland Electricity Board (£286,000).

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shanghai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Samuel Montagu	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		
Gulf G'tee Trust Ltd.	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.5%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¾%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1982-83 High	1982-83 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
134	120	Ass. Brit. Ind. Ord.	134	—	6.4	4.8	7.8	10.2
152	117	Ass. Brit. Ind. CULS	152	—	10.0	6.6	—	—
74	57	Airsprung Group	66	—	3.1	8.2	7.5	12.9
46	36	Armitage & Rhodes	37	+ 1	4.3	11.3	4.2	7.3
290	197	Bardon Hill	290	—	11.4	3.5	12.2	15.3
123	100	CCL 11pc Conv. Pref.	123	—	15.7	12.8	—	—
270	240	Cindico Group	244	—	17.6	7.2	9.9	11.1
86	58	Deborah Services	58	—	6.0	10.3	3.8	10.4
153	125	Frank Horsell	153	—	7.9	5.2	6.4	8.9
83	51	Frederick Parker	66	+ 1	6.4	9.7	3.4	6.4
56	37	George Blair	37	—	—	—	6.4	13.4
100	76	Ind. Precision Castings	76	—	7.3	9.6	5.7	12.3
135	100	Isis Conv. Pref.	135	—	15.7	11.6	—	—
128	84	Jackson Group	128	—	7.5	5.9	3.5	9.2
172	111	James Burrough	172	—	9.3	5.6	12.8	14.0
280	170	Robert Jenkins	170	—	20.0	11.8	1.9	27.0
83	54	Scruttons "A"	73	—	5.7	7.8	9.5	11.4
167	117	Torday & Carlisle	117	—	11.4	5.7	5.2	9.0
29	21	Unilock Holdings	25	+ 1	0.48	1.8	—	—
85	71	Walter Alexander	74	+ 1	[illegible]	[illegible]	[illegible]	[illegible]

WORLD STOCK MARKETS

Early 16.5 fall on Wall St

SHARPLY LOWER levels were recorded on Wall Street yesterday, following a variety of economic concerns, including a fear that interest rate declines may be tapering off.

By 1 pm the Dow Jones Industrial Average was down 16.55 to 1054.27, making a loss of 26.58 on the week, while the NYSE All Common Index, at $83.12, shed $1.39 on the day and $1.55 on the week. Declines led advances by a more than three-to-one majority, while the volume decreased 6.2m shares to 57.56m compared with 1 pm Thursday.

Analysts said prices were hurt by statements made by Federal Reserve Board chairman, Paul Volcker, which indicated that the Fed's flexibility on monetary policy is being limited by continued large Federal Budget deficits.

Harvey Deutsch, an analyst with Purcell Graham, said "Volcker choked the market."

Analysts also said the expectation that there will be a large increase in the Money Supply when it is reported after the Stock Market close is dashing hopes of another Discount rate cut.

Adding to the concerns is a $1.5bn credit facility given to Seafirst Corp by a group of 12 banks. The action has stirred concern about the health of the International Banking System.

Seafirst gave way $1¼ to $14¼—it also reported a large operating loss for the fourth quarter.

Other Bank stocks also retreated, with Citicorp off $¾ to $34½. Manufacturers Hanover down $1⅛ to $38⅝ and Chase Manhattan dipped $1⅞ to $48.

Michael Metz, of Oppenheimer and Company, said he sees a "real change in sentiment" in the Stock Market.

He said that investors now feel that unless long-term interest rates decline, the U.S. economy "won't have a sustainable recovery."

Oil, Bank and Technology issues led the retreat.

IBM fell $2⅝ to $95½, despite reporting higher fourth quarter profits.

THE AMERICAN SE Market Value Index was off 4.71 at 366.69, for a net loss of 1.51 on the week. Volume decreased 1.19m shares to 5.87m, compared with 1 pm Thursday.

Canada

Stocks were lower, influenced by concern on Wall Street about interest rates.

The Toronto Composite Index was off 11.3 to 2046.4 around mid-day, while Golds shed 230.1 to 4681.8, reflecting the continued weakness in bullion prices. Metals & Minerals lost 28.7 to 1983.9 and Oil & Gas 19.7 to 2994.4.

Singapore

Mixed after some buying and profit taking.

Industrial and Financials were mixed while Hotels and Properties were generally higher.

Federal Cables were actively traded, with almost a half million shares changing hands, up 5 cent to S$1.84. A dealer attributed the buying from Malaysia.

Tokyo

The market rallied on sporadic bargain hunting in Blue Chips after three days of sharp falls. Sentiment was encouraged by the yen's steadiness and the overnight firmness on Wall Street.

But market opinion is that a cut in Official Discount rate is unlikely in the near future because of the yen's current weakness.

The Market Average rose 66.10 to 7,989.41, but trading volume was light at 300m (240m) shares.

A slight increase in foreign purchases also contributed to the rally.

Computer Makers, Light Electricals, Precisions and Motors gained ground, followed by Oils and Non-Ferrous Metals.

Domestic Industry issues were mixed as interest shifted to Blue Chips.

TDK rallied Y100 to 4,500—it had been languishing because of a fresh flare-up of tension over Japan's exports of video tape recorders. Some Foreigners were buying TDK as well as ALPs shares, up Y50 at 1,570.

Mitsui, up Y2 to 375, started drilling in a gold mine in South Western Japan this month and this buoyed investor spirits. Sumitomo has found gold in its mine in the same general area and this served to enhance investor confidence further.

Paris

Shares rose in active trading, but dealers said the movement primarily reflected technical adjustments on the monthly Settlement day.

Oils were the strongest performers amid signs that Saudi Arabia may accept a further production cutback to shore up oil prices. Ministers from the Organisation of Petroleum Exporting Countries (Opec) are scheduled to meet Sunday in Geneva.

Elf-Aquitaine were up FFr 4.8 at 130.9 and Esso SAF FFr 12 to 213.

Electricals were also generally higher, with CIT-Alcatel gaining FFr 21 to 855 while, in higher Constructions, Dumez rose FFr 9 to 1,129.

Banks, Foods, Motors, Constructions and Stores also gained ground. But Finances, Metals and Chemicals were weaker, while Hotels finished mixed.

In Foreigns, Gold Mines fell and other stocks, except for strong Oils, were generally slightly lower.

Germany

Mixed in quiet and thin pre-weekend trading as Domestic and Foreign investor interest continued to be subdued by uncertainty about the outcome of the March 6 West German election.

Price changes mainly reflected position squaring by professionals, and some dealers said they expect sentiment to remain hesitant until the prospects of Chancellor Helmut Kohl's Government holding on to power at the Poll become clearer.

Despite broad disappointment on the West German Bond Market after the no-changes outcome of the Central Bank Council meeting Thursday, equities managed to generally hold day-earlier positions amid a market devoid of new factors.

Deutsche Bundesbank bought Public Sector Bonds totalling DM 52.3m to balance the market.

Hong Kong

Share prices were finally hit by an expected correction following a long upswing, with the Index falling 36.57 to 871.99.

The drop was the first significant correction since a rally commenced on January 4, which had pushed the index up by nearly 150 points.

Brokers said that the selling was widespread, although mostly by local investors. Overseas investors were also taking profits.

Most agreed that the market's outlook still remains fairly good.

Amsterdam

Dutch shares higher on demand from the European Options Exchange which saw the expiration of a number of options series on Dutch stock.

In order to meet their contract obligations, options investors bought a large amount of shares, especially in Philips and Royal Dutch Petroleum.

The volume in Philips alone was put at just over 1m shares. The stock rose Fls 0.50 to 29.9.

Australia

Share prices were higher across the board in brisk trading, led by keen interest in Golds and leading Mining issues.

The All Ordinaries Index was up 4.4 at 540.6, mainly due to a 7.1 rise in the All Resources Index to 438.8. The All Industrials Index firmed 1.1 to 667.3.

Brokers attributed the gains to intensified interest among both overseas and local investors in Australian Resource stocks, particularly leading Mines and Golds.

Speculative Gold issues met strong demand and majors GMK at $A11.40, Central Norseman at $A9.50, and Poseidon at $A6.60 each notched 20 cent rises.

Closing prices for North America were not available for this edition.

NEW YORK

Indices

CANADA

DENMARK

HOLLAND (continued)

AUSTRALIA

JAPAN (continued)

FRANCE

ITALY

NORWAY

SPAIN

HONG KONG

SWEDEN

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND

SWITZERLAND

SINGAPORE

SOUTH AFRICA

NEW YORK ACTIVE STOCKS

هكذا من الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar strong

The dollar continued to improve in currency markets yesterday as the market reacted to a continued delay in the expected U.S. discount rate. Against the D-mark it rose to DM 2.4460 from DM 2.4230 and SwFr 1.9940 from SwFr 1.9775. It was also firmer against the Japanese yen at Y236.50 from Y235.25 and FFr 6.9275 from FFr 6.87 in terms of the French franc. On Bank of England figures the dollar's index rose to 119.8 from 119.4, its highest level for a month.

Sterling showed a steady improvement overall and its trade weighted index rose to 82.8 from 82.4, having stood at 82.8 at noon and in the morning. While showing useful gains against European currencies, the pound slipped against the dollar to finish at its worst ever closing level of $1.5660-1.5680, a fall of 30 points from Thursday. It opened at $1.5830 and eased on initial dollar demand to $1.5790 and continued to lose ground to be quoted at $1.5755 around noon. It touched a low of $1.5640 in the later afternoon before recovering a little at the close. Trading was rather erratic with sterling moving 20 or 30 points at a time in very thin trading.

Against the D-mark it rose to DM 3.8325 from DM 3.8075 and SwFr 3.1250 from SwFr 3.1050. It was also higher in terms of the Japanese yen at Y370.50 from Y369.50 and rose against the French franc to FFr 10.8450 compared with FFr 10.7850 on Thursday.

Pressure eased on the weaker members of the European Monetary System, reflecting a softer trend in the D-mark on the week.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	46.0281	+0.13	+1.17	±1.5501
Danish Krone	8.23400	8.10322	−1.59	−0.55	±1.6430
German D-Mark	2.33379	2.30489	−1.26	−0.21	±1.0888
French Franc	6.61387	6.53337	−1.22	−0.18	±1.3940
Dutch Guilder	2.57971	2.52613	−2.07	−1.03	±1.5004
Irish Punt	0.686011	0.691980	+0.14	+1.18	±1.6691
Italian Lira	1350.27	1323.45	−1.98	−1.55	±4.1389

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Jan 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5640-1.5830	1.5660-1.5680	0.37-0.32c pm	2.64	0.83-0.78 pm	2.05
Canada	1.9220-1.9380	1.9240-1.9260	0.15-0.05c pm	0.62	0.35-0.25 pm	0.62
Nethlnd.	4.16½-4.21½	4.19½-4.20½	2½-2c pm	6.43	6¾-5⅞ pm	5.83
Belgium	74.30-75.10	74.65-74.75	10-20c dis	−2.41	52-62 dis	−3.05
Denmark	13.40-13.50	13.45-13.47	8⅜-9⅝ore dis	−8.02	25⅝-26⅝dis	−7.71
Ireland	1.1410-1.1520	1.1485-1.1505	0.77-0.91p dis	−8.77	1.73-1.96dis	−6.40
W. Ger.	3.80½-3.86½	3.82¾-3.83¾	2¼-1¾pf pm	6.26	5¾-5 pm	5.48
Portugal	148.00-153.00	148.00-151.00	380-815c dis	−51.17	625-1985dis	−34.65
Spain	201.00-202.60	201.20-201.60	95-130c dis	−6.70	315-380 dis	−6.90
Italy	2,187-2,201	2,189-2,191	18-18 lire dis	−8.49	58-63 dis	−11.05
Norway	11.13-11.20	11.13-11.15	1¼-2¼ore dis	−1.95	5¾-7 dis	−2.29
France	10.77-10.88	10.84-10.85	3½-5¼c dis	−5.25	24-27 dis	−9.40
Sweden	11.56-11.64	11.56-11.58	1½-¾ore pm	1.04	par-⅞ dis	−0.13
Japan	368-372	370-371	1.70-1.50y pm	5.18	4.40-4.20 pm	4.64
Austria	26.70-26.90	26.75-26.80	13½-11¼gro pm	5.57	34½-29½ pm	4.78
Switz.	3.10½-3.13½	3.12-3.13	2⅞-2¼c pm	8.60	6½-6⅛ pm	8.16

Belgian rate is for convertible francs. Financial franc 77.75-77.85. Six-month forward dollar 1.32-1.27c pm, 12-month 2.30-2.15c pm.

THE DOLLAR SPOT AND FORWARD

Jan 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5640-1.5830	1.5660-1.5680	0.37-0.32c pm	2.64	0.83-0.78 pm	2.05
Ireland†	1.3645-1.3860	1.3645-1.3665	1.04-0.94c pm	8.66	2.55-2.35 pm	7.14
Canada	1.2245-1.2290	1.2280-1.2290	0.32-0.20c dis	−1.81	0.42-0.45dis	−1.42
Nethlnd.	2.6470-2.6818	2.6790-2.6810	0.93-0.83c pm	3.87	2.63-2.53 pm	3.88
Belgium	47.30-47.70	47.58-47.70	18-21c dis	−4.90	59-63 dis	−5.11
Denmark	8.5250-8.5700	8.5600-8.5700	5⅞-6⅝ore dis	−8.81	16¾-17¾dis	−7.86
W. Ger.	2.4120-2.4475	2.4455-2.4465	0.74-0.69pf pm	3.51	2.16-2.11 pm	3.49
Portugal	94.50-97.00	94.50-95.50	250-750c dis	−62.83	500-1450dis	−40.84
Spain	128.15-128.85	128.25-128.30	90-105c dis	−9.12	275-305 dis	−9.04
Italy	1,391-1,400	1,398½-1,399½	13-15 lire dis	−12.07	45-48 dis	−13.36
Norway	7.0830-7.1020	7.0820-7.1029	2-3ore dis	−4.23	7.20-8.20dis	−4.35
France	6.8400-6.9350	6.9250-6.9300	3.90-4.40c dis	−7.19	17¾-18¾dis	−10.54
Sweden	7.3620-7.3800	7.3700-7.3800	0.60-1.10ore dis	−1.38	3.70-4.20dis	−2.14
Japan	234.00-236.70	236.45-236.55	0.57-0.50y pm	2.71	1.55-1.45 pm	2.54
Austria	17.01-17.06½	17.02-17.03	4¼-4gro pm	3.08	13-10½ pm	2.76
Switz.	1.9885-1.9960	1.9935-1.9945	1.20-1.15c pm	7.07	3.15-3.10 pm	0.27

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.60-49.70.

EXCHANGE CROSS RATES

Jan. 20	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.567	3.833	370.5	10.845	3.125	4.200	2190.	1.925	74.70
U.S. Dollar	0.638	1.	2.446	236.4	6.921	1.994	2.680	1398.	1.228	47.67
Deutschemark	0.261	0.409	1.	96.62	2.830	0.815	1.096	571.4	0.502	10.49
Japanese Yen 1,000	2.699	4.229	10.34	1000.	29.27	8.435	11.34	5911.	5.196	201.6
French Franc 10	0.922	1.445	3.534	341.6	10.	2.882	3.873	2018.	1.775	68.88
Swiss Franc	0.320	0.501	1.226	118.6	3.470	1.	1.344	700.8	0.616	23.90
Dutch Guilder	0.238	0.373	0.913	88.21	2.582	0.744	1.	521.4	0.458	17.78
Italian Lira 1,000	0.457	0.716	1.750	169.2	4.952	1.427	1.918	1000.	0.879	34.11
Canadian Dollar	0.519	0.814	1.991	192.5	5.634	1.623	2.182	1166.	1.	38.81
Belgian Franc 100	1.339	2.098	5.131	496.0	14.52	4.183	5.622	2932.	2.577	100.

MONEY MARKETS

Further shortage

Day to day credit was in very short supply in the London money market yesterday. This was despite a take up of £928m of temporary sale and repurchase agreements on a one month basis at 11 33/64ths per cent. Factors working against the market included bills maturing in official hands and a net take up of Treasury bills—£298m and the unwinding of previous sale and repurchase agreements —£501m. In addition there was a rise in the note circulation of £180m.

The Bank gave assistance in the morning of £632m, having revised the forecast to a shortage of around £650m. It bought £8m of eligible bank bills in band 1 (up to 14 days) and £245m in band 2 (15-33 days) at 11 per cent and in band 3 (34-63 days) £9m at 11 per cent. It also arranged sale and repurchase agreements on £370m of bills at 11 per cent for resale in equal amounts on January 27 and 28. Further assistance in the afternoon comprised purchases of £2m of eligible bank bills in band 2 and £26m in band 3 at 11 per cent making a grand total of £660m.

In the interbank market weekend money opened at 11½-11¾ per cent and eased to 11-11¼ per cent before climbing to 12½ per cent. Rates eased in the afternoon to 11 per cent but came back to 12½ per cent before finishing around 6 per cent.

LONDON MONEY RATES

Jan. 21 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	6-12½	—	—	—	11¼-11¾	11-11½	—	—	—
2 days notice	—	—	11¼-11⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅝	—	—	—	—
7 days notice	—	11½-11⅝	11¼-11⅜	—	—	11⅝-11¾	11-11½	—	—	—
One month	11½-11⅜	11⅜-11⅝	11¼-11⅜	12-11¾	11⅞	11¾	10⅞-11	[illegible]	[illegible]	11⅝
Two months	11⅜-11¼	11⅛-11⅜	11⅛-11⅜	11¾-11⅜	11⅞	11⅝	10¾-10⅞	11	[illegible]	11⅜
Three months	11¼ 11⅛	11¼-11⅜	11¼	11⅜-11¼	11⅜	—	10¾-11	10⅞-11	10⅞-11	11¼
Six months	10⅞-10¾	11-11⅛	10⅞-11	10¾-10⅞	11⅛	—	—	—	[illegible]	[illegible]
Nine months	10⅞-10¾	10⅞-11⅛	—	11⅛-11	11⅛	—	—	—	—	—
One year	10⅞-10¾	10⅞-11⅛	10⅞-11⅛	11-10⅞	11⅛	—	—	—	—	—
Two years	—	—	11-11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 198 (inclusive): 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½ per cent; four years 11¾ per cent; five years 12 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10 [illegible]-10⅞ per cent; four-month trade bills 11 per cent.

Approximate selling rate for one month Treasury bills 11 per cent; two months 10 [illegible]-11 per cent and three months 10⅞-11 per cent. Approximate selling rate for one month bank bills 11-11 [illegible] per cent; two months 10 [illegible] per cent and three months 10 [illegible]-10⅞ per cent; trade bills 11½ per cent; two months 11⅜ per cent and three months 11 [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 198 London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Deposit Rates for sums at seven days notice 7-8 per cent.

Treasury Bills: Average tender rate of discount 10.7530 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three-month 11¼ per cent; three-12-month 11¼ per cent. Under £100,000 11 per cent from January 17. Deposits held under Series 3-5 11¼ per cent. The rate for all Deposits withdrawn for cash 8½ per cent.

OTHER CURRENCIES

Jan. 21	£	$		£ Note Rates
Argentina Peso	81,502-81,642	60,160-52,210	Austria	26.70-26.95
Australia Dollar	1.6020-1.6040	1.0210-1.0215	Belgium	77¼-78¼
Brazil Cruzeiro	416.24-417.24	264.78-266.10	Denmark	13.39-13.52
Finland Markka	8.3965-8.4150	5.3490-5.3510	France	10.80-10.90
Greek Drachma	130.689-134.000	83.80-84.10	Germany	3.81-3.85
Hong Kong Dollar	10.25¼-10.27¼	6.5300-6.5350	Italy	2170-2210
Iran Rial	101.90*	65.35*	Japan	370-374
Kuwait Dinar (KD)	0.4545-0.4555	0.28975-0.28985	Netherlands	4.18-4.22
Luxembourg Fr.	74.65-74.75	47.58-47.70	Norway	11.13-11.24
Malaysia Dollar	3.5775-3.5875	2.2775-2.2795	Portugal	160-195
New Zealand Dlr.	2.1615-2.1665	1.3750-1.3770	Spain	195-208½
Saudi Arab. Riyal	5.3990-5.4050	3.4090-3.4410	Sweden	11.56-11.67
Singapore Dollar	3.2560-3.2650	2.0735-2.0755	Switzerland	3.12-3.13
Sth. African Rand	1.6625-1.6660	1.0610-1.0615	United States	1.56½-1.58½
U.A.E. Dirham	5.7615-5.7705	3.6700-3.6730	Yugoslavia	120-130

*Selling rates.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 21	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11⅝-11⅞	11⅝-11⅞	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	8⅛-8¾	8¾-9	[illegible]	[illegible]	9⅛-9⅜	9⅜-9⅝
Can. Dollar	10½-11⅛	10¾-11⅛	10½-10⅞	[illegible]	10-10¼	10-10¼
D. Guilder	4⅞-5	4⅝-4⅞	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	1-1½	4⅛-4¾	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	5⅜-5⅞	5⅜-5½	5⅜-5½	5⅜-5½	5⅛-5½	[illegible]
Fr'nch Franc	10½-15½	12½-13½	15½-16½	19½-20½	19½-20½	17½-18½
Italian Lira	16-18	18-20	18¾-21½	22½-23	[illegible]	21½-22
Belg. Franc Conv.	12-13	12-14	13¼-14¼	[illegible]	[illegible]	[illegible]
Belg. Franc Fin.	[illegible]	12½-12¾	10¼-10½	[illegible]	[illegible]	[illegible]
Yen	6⅛-6⅜	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ Sing.	[illegible]	8⅞-9	8⅞-9	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 21)

3 months U.S. dollars		6 months U.S. dollars	
bid 8 7/8	offer 9	bid 9 1/16	offer 9 3/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982/83 High	1982/83 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£810/815
Free Markets c.i.f.	$1080/1110	+30	$1100/1130	[illegible]	$890/920
Antimony					
Free Market 99.6%	$1750/1850	—	$2400/2500	$2450/2550	$1750/1850
Copper-Cash High Grade	£993.25	−5.75	£850.5	£1022.5	£690.25
3 months Do. Do.	£1023.75	−5	£877	£1054.25	£711.75
Cash Cathodes	£964.5	+4	£850.25	£984.5	£683.5
3 months Do.	£994.75	+4.5	£874	£1015.75	£705.5
Gold per oz.	$483.5	+0.25	$375	$497	$295
Lead Cash	£295.75	−0.25	£345.5	£356.5	£263
3 months	£307.25	−5.5	£363.5	£370.25	£275.25
Nickel	£4384	—	£3,757.75	£4384	£3737.75
Free Markets c.i.f. lb	175/205c	−3	250/285c	[illegible]	140/170c
Platinum per oz.	£119.50	−2.75	[illegible]	[illegible]	[illegible]
Free Market per oz.	£288.55	−8.2	£194.78	£301.50	[illegible]
Quicksilver (76 lbs.)	$345/355	−5	$395/405	$415/420	$325/335
Silver per oz.	810.55p	+33.55	425.60p	834.65p	285.10p
3 months per oz.	834.90p	+35.50	437.05p	857.15p	294.00p
Tin cash	£7,815	+252.5	£8,687.5	[illegible]	£6,450
3 months	£7,832.5	+260	£8,055	[illegible]	£6,562.5
Tungsten Ind.	$90.21	−2.04	$125.30	$134.46	$90.21
Wolfram (22.04 lb.)	$76/82	—	$120/125	$120/128	$76/82
Zinc cash	£440	−11	£453.5	£463.75	£370.5
3 months	£454.75	−11.25	£440.75	£469.25	£373.5
Producers	$800	—	$875/950	$950	$800
GRAINS					
Barley Futures	£115.40y	+0.20	£108.45	£116.95	£102.50
Maize French	£146.50x	—	£133.50	£147.00	£131.00
WHEAT Futures	£122.80y	+0.55	£113.25	£124.40	£107.60
Hard Winter Wheat	‡	—	£117.50	£116.75	£116.00
SPICES					
Cloves (g)	$6,000v	—	£5,550	£6,600	£5,400
Pepper, white	$1,750v	−50	$1,975	$2,000	$1,500
" black	$1,350v	—	$1,450	$1,475	$1,160
OILS					
Coconut (Philippines)	$447.5w	−2.5	$550	$550	$392.5
Groundnut 5%	$465v	—	$703	$715	$450
Linseed, Crude	£328	+12	‡	£430	£308
Palm Malayan	$377.5y	−8.3	$507.5	$545	$347.5
SEEDS					
Copra (Philippines)	$305v	—	$350	$355	$250
Soyabeans (U.S.)	$240.5	−1.9	$258	$277	$211.5
OTHER COMMODITIES					
Cocoa Shipments §	£1,229	+15	£1,869	£1,275	£890
Cocoa Futures May	£1196.5	+0	£1193.5	£1,223.5	£856.5
Coffee Futures March	£1644	+38	£1147.5	£1,721.5	£1,035.5
Cotton Index	72.75c	+1.05	70.15c	79.10c	57.30c
Des. Coconut	£540	+20	£540	£540	£440
Gas Oil Fut. Feb.	$274.20	+2.5	$298.75	$323	$235.25
Jute U.I ABW C grade	‡	—	£265	£270	£220
Rubber kilo	54.75p	−0.75	50p	58.75p	45p
Sago Pearl	£247v	+5	£225	£250	£220
Sisal No. 3L	$625/635v	—	$640	$640/660	$590/610
Sugar (Raw)	£101vy	+5	£167	£177	£92
Tapioca No. 1	£255v	+10	£225	£265	£216
Tea (quality) kilo	156p	+5	180p	155p	117p
(low med.) kilo	125p		‡	‡	
Wooltops 64s Warp	392p kilo	+14	375p kilo	402p kilo	362p kilo

‡ Unquoted. (g) Madagascar. (x) February. (y) March. (v) January-February. (w) February-March. * Nominal. § Ghana cocoa.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	31.25-31.50	+0.12
Iranian Light	29.25-30.00	−0.05
Arabian Heavy	29.00-29.25	−0.15
North Sea (Forties)	31.40-31.60	+0.10
African (Bonny L'ht)	32.00-32.25	−0.05
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	295-298	+0.5
Gas oil	272-285	—
Heavy fuel oil	155-165	—

GAS OIL FUTURES

A feeling that the market had over-reacted to the Opec news led to active selling on a steadier opening. Prices fell further during the afternoon, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan.	280.50	−4.00	284.50-80.25
Feb.	274.25	−5.25	278.00-74.00
March	269.75	−2.75	275.00-68.50
April	264.25	−3.00	267.50-64.25
May	261.25	−3.75	265.00-61.25
June	261.00	−3.50	264.00-61.00
July	260.75	−5.00	—
Aug.	258.00	−4.00	—
Sept.	257.00	−2.75	257.00

Turnover: 2,349 (3,660) lots of 100 tonnes.

GOLD MARKETS

Gold fell $9 an ounce from Thursday's close in the London bullion market yesterday to finish at $483-484. It opened at $492¼-493¼ and was fixed at $490.25 in the morning before coming back to $485.00 at the afternoon fixing. Trading was subdued ahead of the weekend with a stronger dollar also discouraging operators from opening fresh positions.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
January	483.00-85.5	−9.35	—
February	481.80-82.0	−11.30	492.50-84.0
March	486.20-86.5	−11.15	
April	490.00-91.0	−11.00	499.40-98.0
May	495.50-94.7	−11.55	503.00
June	497.20-98.5	−11.05	499.00-98.5
July	500.50-02.4	−10.50	—

Turnover: 531 (1,510) lots of 100 troy ounces.

	Jan. 21		Jan. 20	
	Gold Bullion (fine ounce)			
Close	$483-484	(£307¾-308)	$492-493	(£314-314½)
Opening	$492¼-493¼	(£311¾-312½)	$488¾-489	(£311¾-312½)
Morning fixing	$490.25	(£310.580)	$487.50	(£311.205)
Afternoon fixing	$485	(£308.024)	$487.25	(£310.252)

Gold Coins Jan. 21

Krugrnd	[illegible]	[illegible]	King Sov	[illegible]	[illegible]
½ Krug	[illegible]	[illegible]	Victoria Sov	[illegible]	[illegible]
¼ Krug	[illegible]	[illegible]	French 20s	[illegible]	[illegible]
1/10 Krug	[illegible]	[illegible]	50 pesos Mex	[illegible]	[illegible]
Mapleleaf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Sov.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

REVIEW OF THE WEEK

Setback in metal market surge

BY OUR COMMODITIES STAFF

The recent surge in the metal markets ran out of steam this week after prices reached new peaks on Monday. Gold, which traded at over $500 an ounce for the first time since April 1982, closed last night in London virtually unchanged on the week at $483.5.

Free market platinum, however, suffered a more severe setback. The dollar price fell back to $453.5 an ounce yesterday after reaching a peak of $479.25 earlier in the week. The sterling quotation at £288.55 was £8.20 down on a week ago. The move by Rustenburg of South Africa to abandon its posted producer price except for longterm contractual customers, has created some uncertainty and confusion.

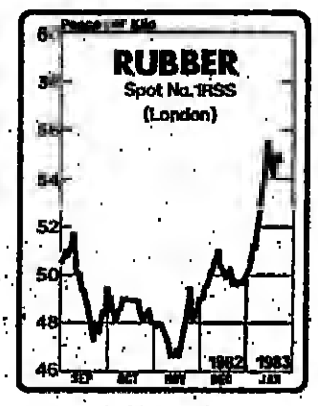
Silver values dropped back too. The bullion spot quotation yesterday was still 33.5p up on the week at 813.55p an ounce, after reaching a 27-month high of 834p, but in afternoon trading fell to 802p.

On the London Metal Exchange high-grade cash copper rose to £1,022.5 a tonne on Monday but then fell back to end the week £5.75 down at £993.25. A further rise in copper stocks held in the LME warehouses emphasised that there is still little consumer demand and the market was further depressed by news of a 13 per cent fall in U.S. housing starts in December.

Aluminium futures moved upwards, in spite of copper but lead and zinc values eased. Tin rose sharply to the highest levels since February last year, with the cash price £252.5 up on the week at £7,815 a tonne. The rise was attributed to sustained support buying by the buffer stock of the International Tin Council reportedly with the objective of bringing London prices into line with the Malaysian market in Penang.

Continuing concern over cocoa crop prospects in Brazil and Ghana helped to lift the March position on the London futures market to a 15-month high of £1,228 a tonne on Monday morning but the market almost immediately turned downwards following the announcement of a disappointing UK grindings total for the final quarter of last year. The price ended the week only £3 up at £1,196.50 a tonne.

The UK grind was 4.35 per cent down compared with the same quarter of 1981. This was lower than expected following the publication last week of increased grinding figures for West Germany and the U.S. Yesterday the Dutch Central Statistics Office announced that Dutch fourth quarter grindings were up 8.8 per cent but this failed to discourage a £12 fall in the futures price.



Dealers said, however, that hot, dry weather in Brazil's Bahia growing region and slow producer deliveries in Ghana were still providing fairly firm background sentiment.

Natural rubber prices eased with the RSS No 1 spot quotation on the London physical market ending at 54p a kilo, 0.75p below last Friday's seven-month high.

In view of the depressed state of the rubber market, due mainly to sharply reduced car sales, Malaysia called this week for export controls to be introduced under the International Rubber Agreement and the country's National Rubber Smallholders' Association urged the speedy introduction of rubber futures trading on the Kuala Lumpur Commodity Exchange.

Coffee prices moved higher and the March futures position on the London market ended £38 up at £1,644 a tonne, although it fell £17 yesterday.

At a meeting of the International Coffee Organisation in Manila next week control of exports to non-member countries is expected to be the main topic under discussion. These exports are believed to be undermining the effectiveness of the pact in supporting the market.

BASE METALS

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Higher Grade	£	£	£	£
Cash	990-.5	−10.5	995.5	−6.75
3 months	1025.5-1.5	−10.75	1025.5-4	−7.5
Settlem't	990.5	−10.5	—	......
Cathodes				
Cash	960-.5	−4.25	964-.5	—
3 months	990-1	−4.75	994.5-.5	—
Settlem't	960.5	−4.5	—	......
U.S. Prod.	—	—	*74-74	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £990.50, three months £1,025, 24, 23, 22.50, 22, 21, 20, 21. Cathodes: Three months £989, 90, 91. Kerb: Higher Grade: Three months £1,018, 18, 17, 18, 19, 20, 21, 22. Afternoon: Higher Grade: Three months £1,018, 18, 19, 18.50, 19, 18.50, 21, 21.50, 22, 23, 22.50, 23, 23.50. Cathodes: Three months £994, 95, 95.50. Kerb: Higher Grade: Three months £1,025, 26, 27, 28, 27.50, 28, 27, 27.50, 28, 28.50, 29, 29.50, 30, 30.50, 31. Turnover: 35,950 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	7780-90	+111	7810-20	+122½
3 months	7800-5	+146	7830-5	+150
Settlem't	7790	+115	—	......
Standard				
Cash	7780-90	+111	7810-20	+122½
3 months	7780-90	+122½	7830-5	+150
Settlem't	7790	+110	—	......
Straits E.	£29.15	......	—	
New York				

Tin—Morning: Standard: Cash £7,770, three months £7,730, 35, 40, 50, 55, 60, 80, 85. Higher Grade: Three months £7,760, 65, 80, 7,800. Kerb: Higher Grade: Three months £7,780, 7,800, 10, 20. Afternoon: Standard: Cash £7,820, 10, three months £7,810, 20, 25, 30, 40, 35, 30, 35, 40, 35. Higher Grade: Cash £7,840. Kerb: Standard: Three months £7,820, 30, 25, 30, 35, 40, 35. Turnover: 4,500 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	298-.25	−.375	295.5-.6	−2.75
3 months	309-.5	−1	307-.5	−3
Settlem't	298.25	−.75	—	......
U.S. Spot	—	—	*21-28	......

Lead—Morning: Cash £298.25, three months £310, 09.50, 09. Kerb: Three months £308, 09. Afternoon: Three months £308, 07, 06, 05, 05.50, 06, 06.50, 07, 08. Kerb: Three months £308, 08.50, 09, 10. Turnover: 12,475 tonnes.

ZINC

Zinc—Morning: Cash £441, three months £453, 53.50, 54, 53.50, 54, 54.50, 54.25, 54.50, 55. Kerb: Three months £456, 55.50, 55, 58, 57, 58, 55.50. Turnover: 17,375 tonnes.

INDICES

FINANCIAL TIMES

Jan. 20	Jan. 19	M'th ago	Y'ar ago
247.74	247.64	236.02	250.20

(Base: July 1 1952 = 100)

REUTERS

Jan. 21	Jan. 20	M'th ago	Y'ar ago
1620.0	1601.4	1581.6	1621.1

(Base: September 18 1931 = 100)

MOODY'S

Jan. 20	Jan. 19	M'th ago	Y'ar ago
1046.2	1045.6	1005.6	1006.9

(December 31 1931 = 100)

DOW JONES

Dow Jones	Jan. 20	Jan. 19	Month ago	Year ago
Spot	143.56	142.50	134.44	128.86
Fut'rs	147.28	146.62	140.62	133.51

(Base: December 31 1974 = 100)

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	441-.5	−.25	430.5-40.5	−3.5
3 months	456.5-.6	−.75	454.5-.5	−4
Settlem't	441.5	−.5	—	......
Primw'ts	—	......	*38.75-40.7	......

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	694.4-5.5	+1.75	696-7	+3
3 months	716-.5	+.5	718-.5	+2.25

Aluminium—Morning: Three months £716, 16.50, 15. Kerb: Three months £715, 14, 15. Afternoon: Three months £715, 15.50, 16, 17, 18, 18, 18.50. Kerb: Three months £719, 19.50, 20, 21, 20. Turnover: 14,825 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2410-2	−14	2395-405	−22.5
3 months	2480-5	−18	2470-5	−19

Nickel—Morning: Three months £2,475, 80, 90, 80, 85, 85. Afternoon: Three months £2,485, 90, 80, 65, 70, 75. Kerb: Three months £2,475, 80.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1188-89	−0.3	1191-77
May	1196-97	−10.0	1200-185
July	1211-18	−0.0	1215-186
Sept.	1223-24	−8.0	1220-10
Dec.	1240-41	−7.0	1243-27
March	1260-70	−3.0	1260-49
May	1276-80	−7.0	1280

Sales: 5,168 (4,969) lots of 10 tonnes.

ICCO—Daily price for Jan 21: 81.08 (81.80). Indicator price for Jan 24: 82.48 (82.50).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
January	1850-65	—	1867-47
March	1643-45	−17.0	1664-42
May	1549-50	−10.0	1562-48
July	1460-90	−0.5	1474-60
Sept.	1407-08	−0.5	1412-04
Nov.	1355-58	—	1366-60
January	1335-40	−0.0	1344-34

Sales: 3,632 (4,497) lots of 5 tonnes.

ICO Indicator price for Jan 20 (U.S. cents per pound): Comp. daily 1979 126.72 (126.52); 15-day average 126.31 (128.55).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Jan.	122.10	−0.40	114.50	−0.35
Mar.	122.80	−0.20	116.40	—
May	124.70	−0.20	117.00	−0.30
July	126.80	−0.20		
Sep.	116.10	+0.05	108.45	−0.10
Nov.	117.60	−0.15	111.45	−0.10

Business done—Wheat: Jan 122.75-2.10, March 123.00-2.80, May 124.90-4.70, July 126.80-6.60, Sept 115.10-5.05, Nov 118.00-7.90. Sales: 280 lots of 100 tonnes. Barley: Jan 115.00 only, March 115.45-5.35, May 117.35-7.00, Sept 108.55-8.50, Nov 111.55 only. Sales: 170 lots of 100 tonnes.

POTATOES

Expected bearish Dutch export figures on Monday and weaker physical market prospects, produced a weaker tone in quiet trading, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Feb.	58.50	59.10	59.50
April	83.50	84.50	84.50-83.50
May	86.30	87.70	87.50-86.20
Nov.	66.60	65.60	67.10-66.50
Feb.	76.20	76.50	76.50

Turnover: 203 (272) lots of 40 tonnes.

RUBBER

throughout the day and closed uncertain. Lewis and Peat reported a February fob price for No. 1 RSS in Kuala Lumpur of 181.5 (180.51 cents a kg and SMR 20 172.5 (same).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ p or tonne		
Feb	550-555	547-551	551
Mar	556-560	555-557	—
Apl-Jne	558-560	557-558	557-561
Jly-Sept	588-589	586-580	586-584
Oct-Dec	608-609	607-608	603
Jan-Mch	628-620	627-628	627-626
Apl-Jne	651-658	649-650	650
Jly-Sept	676-677	672-673	677-676
Oct-Dec	696-699	692-696	687

Sales: 161 (168) lots of 15 tonnes, 1 (9) of 5 tonnes.

Physical closing prices (buyers) were spot 54.75p (54.50p); Feb 57.00p (56.75p); March 57.50p (57.25p).

SILVER

Silver was fixed 1.6p an ounce lower for spot delivery in the London bullion market yesterday at 813.55p. U.S. cent equivalents of the fixing levels were: spot $12.83, up 4c; three-month $13.102, up 3.5c; six-month $13.392, up 2.8c; and 12-month $14.02, up 5.7c. The metal opened at 818-820p ($12.94-12.98) and closed at 802-804p ($12.61-12.65).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	813.55p	−1.60	804p	−14.5
3 months	834.80p	−1.75	825.25p	−14.5
6 months	856.15p	−2.30	—	......
12 months	901.90p	−0.85	—	......

LME—Turnover 205 (161) lots of 10,000 ozs. Morning: Three months 836.0, 26.0, 25.0, 24.0, 23.5, 23.0. Kerb: three month 823.0, 22.0, 23.0, 24.0. Afternoon: three months 824.0, 23.8, 24.0, 23.0, 26.0, 25.0. Kerb: three months 825.5, 25.0, 26.0, 27.0, 26.0, 29.0, 31.0, 30.6, 30.0, 29.0.

SOYABEAN MEAL

The market opened slightly easier on liquidation orders. Renewed selling pressure touched off small stop-loss orders before commercial buying steadied prices, reports T. G. Roddick.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
Feb.	145.80-44.1	−1.05	144.50-43.56
April	145.80-44.0	−1.30	144.70-43.50
June	145.50-44.0	−0.45	144.50-43.00
August	144.90-45.2	−0.20	145.00-44.40
October	146.50-46.7	−0.20	145.80-45.70
Dec.	149.50-50.0	+0.50	149.70-49.50
Feb.	150.00-52.5	+0.50	—

Sales: 169 (47) lots of 100 tonnes.

SOYABEAN OIL—(U.S. $ per tonne): Feb 404.5, 405.0, 407.0; April 413.5, 417.0, untraded; June 423.0, 425.0, 426.0-24.0; Aug 429.0, 433.0, Oct 439.0, 445.0; Dec 441.0, 453.0; Feb 48.0, 460.0;

SUGAR

LONDON DAILY SUGAR—Raw sugar £101.00 (£100.00) a tonne cif Jan-Feb-March shipment. White sugar £134.00 (£136.00).

No. 4 Con-tract	Yesterday close	Previous close	Business done
	£ per tonne		
March	106.85-05.90	106.55-06.40	106.00-04.75
May	111.75-11.85	112.45-12.55	112.60-11.50
Aug.	120.00-20.25	120.40-20.50	120.25-19.80
Oct.	126.65-26.00	126.25-26.35	126.25-25.75
Dec.	131.00-32.00	132.75-32.95	132.00
March	138.50-40.00	140.25-40.50	—
May	140.60-45.00	142.50-45.75	—

Sales: 1,012 (1,908) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade cents per pound) fob and stowed Caribbean ports. Prices for Jan 20: Daily price 5.92 (5.89); 15-day delivery 5.95 (5.67).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business) Australian cents per kg. March 536.0, 537.0, 537.0-536.0; May 552.5, 553.0, 553.5-552.5; July 562.0, 562.5, 566.0-562.0; Oct 549.0, 559.0, 552.0-549.5; Dec 552.0, 552.0, 554.0-551.5; March 561.0, 561.0, 561.0-560.0; May 566.0, 570.0, 570.0; July 575.0, 582.0, 550.0. Sales: 176.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan seller 380, nil; March 361, 364, 362; May 372, 380, 372; Aug 382, 397, 398-387; Oct 400, 405, 396; Dec 403, 405, 401; Jan 407, 409, 408-405;

AMERICAN MARKETS

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1665	1693	1642	1663
May	1708	1734	1687	1701
July	1733	1759	1716	1738
Sept	1775	1790	1742	1758
Dec	1800	1800	1770	1780
March	1830	—	—	1810

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	126.68	127.50	126.30	127.68
May	123.44	123.90	123.25	124.03
July	120.90	121.25	120.80	121.38
Sept	118.55	119.00	118.25	119.00
Dec	116.38	117.00	116.45	117.00
March	114.76	—	—	114.76
May	112.00	112.00	112.00	112.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	71.95	—	—	72.25
Feb	72.20	—	—	72.50
March	72.85	73.16	72.20	73.15
May	74.15	74.65	73.40	74.35
July	75.35	75.90	74.80	75.55
Sept	76.45	77.00	75.80	76.60
Dec	78.00	78.55	77.30	78.10
March	79.80	79.80	79.00	79.70
May	80.70	81.00	80.25	80.75
July	81.80	81.80	81.80	81.85

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	66.08	66.39	65.99	66.28
May	67.20	67.65	67.20	67.52
July	68.26	68.45	68.00	68.52
Oct	67.60	67.80	67.70	67.90
Dec	67.92	68.45	67.81	68.51
March	69.55	69.76	69.51	69.75
May	70.40	70.69	70.40	70.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	485.0	490.0	481.5	492.5
March	488.5	493.0	483.5	496.0
April	492.3	497.0	488.5	499.7
June	499.5	504.0	495.0	506.8
August	507.1	510.0	505.0	514.3
Oct	515.0	520.0	512.5	522.2
Dec	524.0	528.0	519.5	530.2
Feb	529.0	534.0	528.5	538.3
April	537.5	542.0	537.5	546.0
June	547.8	548.0	548.0	555.0
August	557.0	557.0	557.0	563.5
Oct	567.0	—	—	572.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Feb	83.35	84.80	82.90	85.57
March	82.49	84.25	82.10	85.05
April	80.82	82.35	80.50	83.17
May	80.00	81.10	79.80	81.90
June	80.00	81.10	80.00	81.90
July	80.30	81.30	80.20	81.80
August	80.80	81.05	81.00	81.70
Sept	81.80	82.00	82.00	82.95
Oct	82.60	84.00	84.00	84.20
Nov	82.80	—	—	85.90

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	455.2	459.0	450.0	462.3
Feb	461.7	—	—	468.6
March	461.7	467.0	453.0	468.6
April	461.7	467.5	464.5	468.6
July	466.9	472.0	458.0	473.8
Oct	473.7	477.0	467.0	480.8
Jan	481.7	485.5	475.0	488.8
April	489.7	492.0	482.0	496.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	1268.5	1281.0	1260.0	1267.5
Feb	1268.5	1274.0	1265.0	1290.5
March	1277.0	1295.0	1265.0	1299.0
May	1297.0	1318.0	1285.0	1319.5
July	1317.5	1336.0	1305.0	1340.0
Sept	1338.0	1358.0	1334.0	1361.5
Dec	1370.5	1390.0	1362.0	1394.5
March	1404.0	1426.0	1400.0	1429.0
May	1426.5	1440.0	1440.0	1452.0
July	1449.0	1465.0	1465.0	1476.6

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	6.46	6.51	6.21	6.24
May	6.77	6.89	6.68	6.69
July	7.15	7.21	7.00	7.04
Sept	7.51	7.55	7.32	7.38
Oct	7.70	7.82	7.58	7.63
March	8.78	8.78	8.56	8.65
May	9.01	9.04	8.86	8.90

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
March	108.40	109.40	107.80	110.0
May	109.50	110.00	108.60	110.8
July	110.70	111.00	109.90	112.2
Sept	111.50	111.95	111.00	113.4
Nov	112.50	112.90	112.90	114.3
Jan	113.40	114.00	114.00	115.3
March	114.40	115.00	115.00	116.3
May	115.30	—	—	117.2

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	59.52	59.70	59.27	58.9
April	60.82	61.00	60.52	60.30
June	62.72	62.85	62.40	62.2
August	61.82	61.90	61.55	61.30
Oct	60.27	60.35	60.10	59.9
Dec	61.65	61.70	61.16	61.1

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.90	59.20	58.50	58.32
April	55.55	55.90	55.20	56.25
June	57.02	57.25	56.57	56.75
July	56.90	57.25	56.80	56.92
August	54.60	55.25	54.80	54.92
Oct	50.77	50.80	50.35	50.45
Dec	50.35	50.35	49.80	50.10
Feb	49.00	49.15	49.00	48.70
April	46.95	46.95	46.95	46.50

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	257.0	258.6	254.4	255.
May	267.0	267.6	262.6	264.
July	275.0	275.4	271.0	273.0
Sept	277.4	278.0	274.2	276.0
Dec	282.6	283.2	280.2	282.0
March	291.0	293.0	290.2	292.0
May	299.4	299.4	297.2	298.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	85.62	85.95	84.80	84.05
March	84.42	84.55	83.27	82.85
May	83.50	83.80	82.75	82.37
July	81.72	82.90	81.10	80.60
August	78.92	79.20	78.22	77.80
Feb	68.95	69.08	68.50	68.90
March	68.35	68.35	68.35	67.30

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	590.4	592.0	584.0	590.2
May	602.0	603.4	595.6	601.2
July	612.0	613.0	605.0	610.4
August	614.4	614.4	608.0	612.4
Sept	612.0	612.0	607.4	612.0
Nov	617.0	618.0	611.4	616.6
Jan	630.0	630.0	625.0	631.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	179.5	179.5	177.7	179.6
May	181.2	181.3	179.2	181.3
July	183.7	183.8	181.3	183.0
August	184.0	184.0	181.8	183.2
Sept	184.5	184.5	181.5	184.0
Oct	184.0	184.0	182.0	184.0
Dec	187.5	187.5	185.1	186.3
Jan	188.5	188.5	186.0	178.0
March	189.0	191.0	189.0	189.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
March	17.01	17.05	16.82	16.98
May	17.44	17.46	17.25	17.39
July	17.84	17.86	17.67	17.79
August	18.02	18.02	17.83	17.97
Sept	18.06	18.18	18.00	18.10
Oct	18.30	18.28	18.10	18.25
Dec	18.53	18.55	18.40	18.50

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	333.4	334.4	330.0	333.2
May	342.0	343.4	339.0	342.4
July	350.4	350.4	346.4	349.6
Sept	360.2	361.0	356.4	359.4
Dec	376.0	376.0	372.8	375.6
March	389.4	389.4	385.4	389.4

SPOT PRICES—Chicago loose lard 16.50 (same) cents per pound. Handy and Harman bullion silver 1,270.0 (1,289.0) cents per troy ounce. New York tin 567.0-572.0 (567.0-560.0) cents per pound.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 2.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ●Bargains done the previous day. Bargains done with non-member or executed in overseas markets.

ASSD. SPRAYERS/ ROPNER

The board of Associated Sprayers proposes to recommend acceptances of the Ropner offer. Its letter of recommendation to shareholders will be contained in the formal offer document which is expected to be posted to shareholders in early February.

In the light of the terms of the offer, the board has been advised that for the time being it would not be appropriate for it to recommend payment of the final dividend in respect of the year to August 31 1982.

Therefore the books of the company will not now close on February 4 1983 as previously announced.

LONGYEAR OUT

Longyear has withdrawn its offer for National Mine Service leaving the way clear for Anderson Strathclyde, the Glasgow-based mining equipment specialist, to complete its own partial bid.

Controlled ultimately by Anglo-American Corporation, Longyear had been offering $13 per share plus a soliciting dealer fee of 25 cents for up to 1.75m shares. Following discussions with the board of NMS in connection with Longyear's withdrawal, Anderson's 10 cents per share increase to $13.10 per share for a 50.5 per cent stake has been approved and recommended.

Offshore and Managed Funds—continued

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195 St. Helier, Jersey. 0534 375561

Schroder Money Funds Ltd.		
Sterling	£13.2605 + 0.0230	—
U.S. Dollar	US$25.0000	—
Deutschmark	DM50.0000	—
Swiss Franc	SF 50.0000	—

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Last	Jun. Vol.	Last	Sep. Vol.	Last	Stock
D FL C	F.260	—	—	—	—	1	10	F.967
D FL C	F.265	25	5	—	—	—	—	"
D FL C	F.270	11	3	1	5.60	69	7	"
D FL C	F.275	—	—	—	—	1	6.80 B	"
D FL P	F.260	6	5 A	8	7.60	—	—	"
D FL P	F.265	11	6.50 A	9	10.50	1	14 A	"
D FL P	F.270	5	7 A	1	12 A	—	—	"
		Feb.		May		Aug.		
GOLD C	$425	59	67	10	67	1	99	$485
GOLD C	$450	148	46	33	64	3	81	"
GOLD C	$475	63	26	5	50	—	— A	"
GOLD C	$500	203	13	71	37	18	69	"
GOLD C	$550	38	6	142	20 A	—	—	"
GOLD P	$400	4	0.40	15	5	—	—	"
GOLD P	$425	—	—	2	6	—	—	"
GOLD P	$450	3	5	11	9	—	—	"
GOLD P	$475	20	10	9	20	2	26	"
GOLD P	$500	15	20	92	33	—	—	"
12¼ NL 81 87-91								
C	F.115	100	17 B	—	—	—	—	F.132
C	F.120	100	22 B	—	—	—	—	"
C	F.127.50	—	—	13	5.50	26	6	"
C	F.130	11	2.80 A	74	3.80	—	—	"
C	F.135	575	1.30	635	2.20	10	3.30	"
P	F.127.50	—	—	5	1.60	—	—	"
P	F.130	—	—	500	2	—	—	"
10¼ NL 80 86-93								
C	F.102.50	—	—	5	12.60	—	—	F.115.20
C	F.107.50	—	—	—	—	6	8.30	"
C	F.110	20	4.90	20	3.30	—	—	"
11¼ NL 82 88-92								
C	F.115	—	—	28	9.50	67	4.50	F.116.90
C	F.117.50	60	1.20	—	—	—	—	"
10 NL 82 86-89								
C	F.112.50	—	—	13	3.50	—	—	F.113.90
C	F.115	—	—	—	—	20	1.70	"
7¾ NL 82 89-95								
C	F.100	—	—	30	2.60	—	—	F.100.90
C	F.102.50	—	—	145	1.20	—	—	"
7½ NL 83 87-90								
C	F.100	—	—	1128	1.40	—	—	F.100.30
C	F.102.50	—	—	40	0.90	—	—	"
		Jan.		April		July		
ABN C	F.300	54	0.20	—	—	—	—	F.299
AKZO C	F.27.50	157	9.90	—	—	—	—	"
AKZO C	F.30	90	7.20	42	7	—	—	"
AKZO C	F.32.50	153	4.50	—	—	—	—	"
AZKO C	F.35	168	1.80	77	3.70	80	2.30	"
AKZO C	F.40	—	—	99	1.80 A	49	2.30	"
AKZO P	F.35	—	—	46	2.10	—	—	"
AMRO C	F.40	39	8.30	—	—	—	—	F.48.70
AMRO C	F.45	70	0.80	—	—	—	—	"
AMRO C	F.50	—	—	26	1	—	—	"
GIST C	F.130	—	—	32	8.60	—	—	F.160
HEIN C	F.80	45	27.50	—	—	—	—	F.106.80
HEIN C	F.90	32	16.50 B	—	—	—	—	"
HEIN C	F.100	—	—	—	—	58	12.50	"
HEIN C	F.110	—	—	61	6.90	—	—	"
HOOG C	F.15	194	2	—	—	—	—	F.16.80
HOOG C	F.17.50	—	—	64	1 A	—	—	"
KLM C	F.140	102	8	—	—	—	—	F.146
KLM C	F.150	464	0.20	—	—	—	—	"
KLM P	F.120	—	—	37	5.10	—	—	"
KLM P	F.150	132	1.10	—	—	—	—	"
NEDL C	F.90	—	—	120	9.20	—	—	F.95.60
NEDL P	F.100	156	4.60 B	89	8.50	—	—	"
NATN C	F.125	30	1.50 B	2	6.50	—	—	F.126.60
PHIL C	F.25	255	3.20	18	5.30	—	—	F.20.90
PHIL C	F.27.50	977	2.40	131	3	21	3.70	"
PHIL C	F.30	3398	0.10	407	1.70	314	2.50	"
PHIL C	F.32.50	—	—	224	0.80	178	1.30	"
PHIL P	F.27.50	—	—	101	0.70	25	1.20	"
PHIL P	F.30	62	0.20	96	1.70	25	2.60	"
RD C	F.90	251	9.50	1153	10.70	45	12	F.99
RD C	F.100	5291	0.30	662	5.40	143	6.30	"
RD P	F.80	—	—	60	0.60	10	1 B	"
RD P	F.90	—	—	67	2	55	3.10 B	"
RD P	F.100	179	0.50	164	6.50	7	7.50 B	"
UNIL C	F.200	260	0.10	4	6.80	2	10.50	F.198
UNIL P	F.200	29	3.70 A	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 22,719

A=Asked B=Bid C=Call P=Put

U.K. CONVERTIBLE STOCK 22/1/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv§	Income Div◎	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv 2002	9.60	260.50	333.3	80-97	4.7	2.2	0.8	−4 to 3	29.2	85.2	21.7	+20.8
Hanson Trust 9½pc Cv 01-06	31.54	204.00	71.4	85-01	4.9	2.8	1.8	−1 to 5	95.2	73.5	−9.8	−11.5
Slough Estates 10pc Cv 87-90	5.03	212.50	234.4	78-84	4.7		−5.6	−13 to −3	17.6	9.3	−3.7	+1.8
Slough Estates 8pc Cv 91-94	24.72	102.00	97.5	80-89	7.9	7.7	9.0	3 to 15	28.7	34.1	5.7	−3.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ◎ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◎ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Conroy Pet Natural Res 78 80 (19/1)
Exploura Gold 5pcCnvRedCumPfShs (£1) 50 (19/1)
Exploura Gold Ord 18 5
Exploura Gold Ord 10p 8
Kenmare Oil Exploration 3

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INTERNATIONAL COMPANIES and FINANCE

Fiat reaps benefits of restructure

BY JAMES BUXTON IN ROME

FIAT, Italy's largest private enterprise, yesterday produced figures for 1982 which suggest that the group is holding its own in the recession, because of the major restructuring programme which has been going on for three years.

Consolidated group turnover, just over half of it accounted for by the car division, was L20,700bn ($14.9bn), only marginally up on the 1981 figure of L20,312bn.

The company said its financial position has improved, with the degree of self-financing up and consolidated debt, expressed in lire, little changed from the position at the end of 1981, when it amounted to L7,500bn.

According to Sig Giovanni Agnelli, the chairman, Fiat would have been less able to confront the international economic crisis had it not managed to rely mainly on self-financing, become more efficient and withdrawn from production in markets like Argentina which were making heavy losses.

"Until more stable economic conditions return," Sig Agnelli told shareholders, "the company's results can only be modest in proportion to its size and position in the market."

Despite the adverse trend of demand, the car division was in profit in Europe, though it was still suffering from losses in South America, aggravated by the cost of selling out of some operations in Argentina and Colombia. The car division's sales were up slightly at L10,050bn (L9,578bn in 1981).

Car production increased marginally, from 1,121,000 to 1,134,000 units in 1981, and, though sales in Italy were down 1.8 per cent, market penetration in Italy was maintained at 51.6 per cent. In Europe, Fiat remained the market leader with a share of over 13 per cent. Sales in France rose by 24 per cent. The labour force dropped sharply from 141,500 in 1981 to 126,000 in 1982.

Sales by the industrial vehicles division, consisting mainly of Iveco, were down from L5,330bn in 1981 to L5,000bn, as a result of the recession. Fiat claims to have kept its fall in sales to less than that of the European market in general and to have roughly broken even on this product sector.

Sales by the tractor division rose from L1,479bn in 1981 to L1,568bn. The division was in profit, Fiat says, and Fiat Trattori, the main subsidiary, held its leading 14 per cent share of the European market. Exports rose from 59 per cent to 72 per cent of turnover.

The earth moving equipment division, dominated by Fiatallis, saw its turnover fall from L997bn to L980bn and again incurred a loss. Demand for equipment fell by 25 per cent, on top of falls in the previous two years.

Korf Hamburg subsidiary seeks protection

By James Buchan in Bonn

HAMBURGER STAHLWERKE, the West German steel maker, yesterday followed other parts of Herr Willy Korf's crumbling steel and engineering group into seeking court protection from its creditors through composition proceedings.

Hamburger Stahlwerke, owned 51 per cent by Korf Stahl, Herr Korf's European holding company, and the rest by Kloeckner-Werke and the Hamburgischer Landesbank, has a workforce of 800 at a 600,000-tonne capacity direct-reduction steel works in Hamburg.

With court protection for the Hamburg works, which follows similar applications last week for Badische Stahlwerke, Korf's main steel-making subsidiary, and for the Mohr und Federhaff group, the mechanical engineering subsidiary, only Korf Engineering, the domestic plant division, is still operating normally.

Korf Engineering is 51 per cent owned by Korf Stahl and the rest by the Austrian Voest group.

East Asiatic in Bergsoe talks

BY OUR COPENHAGEN CORRESPONDENT

BANKS, pension funds and East Asiatic Company, one of Denmark's largest companies, are entering discussions aimed at securing between DKr 100m and DKr 200m ($23.5m) in new share capital for Paul Bergsoe, the ailing metal refiner.

Lawyers supervising the attempted reconstruction of Bergsoe, which stopped paying its creditors last October, have been given until February 21 to come up with a rescue operation. They want to get new capital pumped into the company and to persuade 14 Danish and foreign bank creditors to write off part of the loans made to it. At the same time Bergsoe interest in companies in Sweden and Finland have been sold.

Mr Carsten Tvelde-Moeller, one of the lawyers involved, said the reconstruction would only be concerned with the most important activities of the company in Denmark and its subsidiaries in the UK, U.S., South America and Thailand.

East Asiatic is joint owner of the Bergsoe subsidiaries, and Mr H. H. Sparsoe, the managing director, said the company was ready to enter into serious negotiations to rescue Bergsoe.

Mutual fund curbs hit Tel Aviv stocks

SHARE PRICES tumbled on the Tel Aviv Stock Exchange following the Israeli Treasury's announcement that it is to tighten rules on mutual funds, writes Our Tel Aviv Correspondent.

Small investors, apparently fearing the end of a boom that saw the general share index rocket by 293 per cent last year, sold heavily on Thursday.

Prices of some 279 shares, more than half the local issues listed on the exchange, dropped with many recording falls of over 10 per cent. The index fell a more modest 2.82 per cent only because the main commercial bank shares held their ground.

The market has been nervous since Dr Meir Heth, the stock exchange's chairman, called for tighter trading rules to close loopholes that have given the big buyers oportunities to manipulate prices.

The Treasury said the new measures would limit mutual funds to holding no more than 5 per cent of any stock's total issue. The present limit is 10 per cent.

Any manager running several mutual funds will not be permitted to hold more than a combined 15 per cent of a single issue.

With the stock exchange closed for the Israeli weekend yesterday, Treasury officials endeavoured to calm investors. They said the measures were designed to protect small investors, who last year speculated heavily on the exchange to keep up with Israel's 131 per cent inflation rate.

Strong recovery in profits at Honda

By Yoko Shibata in Tokyo

EARNINGS OF Honda Motor and its 90 consolidated subsidiaries showed a sharp recovery for the three months ended November 30, thanks to a boost from domestic motor cycle sales and the sharp depreciation of the yen against the U.S. dollar. On the strength of a 32.2 per cent net earnings rise to Y18.76bn ($80m), record full-year results are expected. Profits were marginally down at the half-way stage.

Nine-month net profits reached Y55.06bn, up 3.8 per cent, on turnover 17.9 per cent ahead at Y1,651.6bn ($7.03bn). Profits per share were Y72.69, compared with Y71.90 at the nine-month stage in the previous year.

During the nine months, Honda's motorcycle sales totalled 2,685,000 units, up 2.8 per cent. Because of the yen's depreciation motorcycle sales value advanced by 11.3 per cent, accounting for 24.3 per cent of total turnover.

Motorcycle unit sales in the domestic market increased by 33.3 per cent to reach 1,194,000 units, resulting in a 47.2 per cent rise in the value of sales, largely owing to the introduction of new higher value-added models.

Motorcycle unit sales overseas dropped by 13.5 per cent to 1,441,000 units, resulting in a 1.5 per cent drop in value sales to Y261.88bn.

Car sales in nine months totalled 820,000 units, up 6.1 per cent, yielding an 18 per cent rise in value to account for 55.2 per cent of total turnover. Domestic car sales totalled 279,000 units, up 16.7 per cent, yielding a 19.5 per cent rise in value to Y220.27bn. Overseas car sales totalled 541,000 units, up 1.3 per cent, resulting in a 17.6 per cent rise in value to Y691.26bn.

Sharp rise in sales boosts IBM income

BY PAUL TAYLOR IN NEW YORK

INTERNATIONAL Business Machines, the U.S. computer and office equipment manufacturer, yesterday reported a 28 per cent increase in net earnings for the final quarter to $1.5bn, reflecting substantially increased sales and the adoption of new accounting procedures for foreign currencies.

Fourth quarter earnings, which represent $2.50 a share, compare with $1.17bn or $1.99 a share in the fourth quarter of 1981. Revenues for the quarter increased by 23.14 per cent, to $11.07bn from $8.99bn.

Net earnings for the year increased by 22 per cent to $4.4bn or $7.39 a share on revenues of $34.36bn. Earnings in 1981 were $3.61bn or $6.14 a share on revenues of $29.07bn.

The adoption of new foreign currency translation accounting standards lifted net earnings by $449m or 75 cents a share in 1982 and by $302m or 51 cents a share in 1981. For the fourth quarters the change added $252m to 1982 earnings and $92m in 1981.

Mr John Opel, IBM's president and chief executive, said: "period-to-period comparisons continue to be effected by the strengthening of the U.S. dollar relative to the currencies of many countries. The effects of these currency rate changes on business volumes and operating decisions are difficult to quantify."

However, he suggested that had currency rates remained the same last year as in 1981, revenues in 1982 would have been about $1.8bn higher and net earnings would have been about $300m more than reported.

Mr Opel said that profit margins continued to improve despite higher effective tax rates which partially offset gains at the pre-tax level.

"The 1982 results show significant growth for both net orders and net installation. During the second half we experienced some softness in orders because of economic conditions." However shipments of the 308X processors and the 3380 direct acces storage devices were strong.

Earnings of $172m at International Paper

BY OUR NEW YORK STAFF

INTERNATIONAL PAPER, the world's largest papermakers, yesterday reported fourth quarter net earnings of $38.2m or 64 cents a share compared with $239.6m or $4.71 a share in the same period a year ago.

However, the 1981 quarter included a $215m or $4.35 a share gain from the sale of Canadian International Paper to Canadian Pacific for about C$1.1bn (U.S.$900m) and a write-down of $12.5m or 25 cents a share resulting from the phase-out of certain wood products facilities.

Sales in the fourth quarter totalled $995.7m compared with $1.02m in the 1981 period.

For the year, International Paper posted net earnings of $171.8m or $2.94 a share, broadly in line with expectations, compared with $525m or $10.08 in 1981. Sales, after stripping out sales of $750m from the 1981 results related to Canadian International, dropped from $4.23bn to $4.15bn.

International Paper said the first quarter of last year included a significant sale of tax credits which generated pre-tax proceeds of $26.7m or $17.2m after tax, while the 1981 first quarter included a $57m gain, primarily from land transactions.

Fourth quarter dip for RCA

By Our New York Staff

RCA, the diversified U.S. communications group, yesterday reported net earnings of $54m, or 48 cents a share for the fourth quarter and $222.6m, or $2.03, for the full year.

The full-year result was in sharp contrast to 1981 when RCA reported net earnings of $54m (19 cents a share loss after dividend requirements) after making a special $230m pre-tax ($150m net) provision for significant restructuring of operations and revaluation of assets.

The final quarter earnings were, however, slightly poorer than expected, falling from $57.8m, or 54 cents a year earlier. Nevertheless the company has made progress.

Mr Bradshaw said: "RCA had a good year in 1982 despite the severe recession. We are encouraged by the company's progress in general and with the improvement in our financial condition. The fourth quarter results reflect a continuation of the weak economy, which may carry over into the first quarter of this year."

Sales in the fourth quarter were flat at $2.18bn compared with $2.11bn in the 1981 period and for the year they increased from $8bn to $8.24bn.

Mr Thornton Bradshaw, RCA's chairman, said that communications, broadcasting (principally the National Broadcasting Company television network) and the financial services division both showed significantly higher earnings in 1982.

NBC's earnings' improvement ended a four-year decline, while communications were bolstered by the company's American domstic satellite and the sale of five transponders on the Satcom TV satellite.

In contrast earnings from Hertz, the vehicle leasing and rental subsidiary, were lower compared to 1981 before the deduction of a special $59m provision in 1981.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

Henderson Administration (a) (b) (c)
Premier UT Admin., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

Save & Prosper—continued

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

[illegible]

INSURANCES

[illegible]

LONDON STOCK EXCHANGE

Markets unsettled by Opec and labour uncertainties
Index down 5.4 at 619.4—Falls to 1⅛ in Gilts

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7
Jan 31	Feb 17	Feb 18	Feb 28

* "New-time" dealings may take place from 9.30 am two business days earlier.

A steady to firm opening on London stock markets gave way to uncertainty as the day progressed. Initial firmness in sterling gave an early boost to confidence, but sentiment became increasingly apprehensive pending the outcome of Sunday's Opec meeting to agree oil quotas and of the negotiations to avert the threatened water workers' strike.

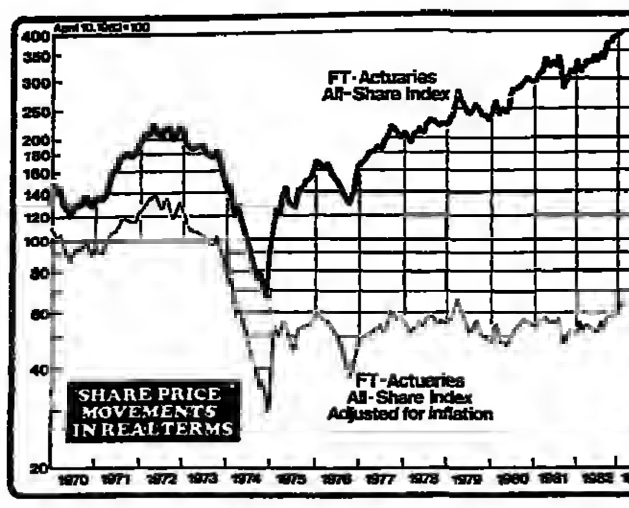
The fall in the annual rate of inflation to 5.4 per cent was well received, but was anticipated and made little impression on markets. Government securities, which opened around ¼ to ⅜ higher at the longer end of the market, drifted back on nervous offerings and switching into earlier maturities. Selling pressure was relatively light, but dealers found it difficult to place stock. Quotations ended with losses extending to 1⅛. The shorts followed a similar pattern and finished with falls of around ⅛ on balance. The Government Securities index lost 0.58 to 78.34.

Leading shares, too, proved vulnerable in the prevailing uncertainty. Prices drifted back from a firm start in the absence of fresh support and the occasional liquidation of professional positions. Yesterday's early setback on Wall Street prompted a continuation of the downtrend in the after-hours' dealings. The FT 30-share index closed at its lowest of the day with a fall of 5.4 at 619.4 after having registered a gain of 2.8 at 11.00 am.

Secondary stocks continued to attract a considerable amount of attention and fairly numerous good gains were recorded in the more speculative issues.

Of the sectors, Oils held steady after Thursday's late upward flurry prompted by hopes that Sunday's Opec meeting will result in an agreement on quotas rather than price reductions.

South African Gold mining shares sustained a further bout of profit-taking after the strong upward movement earlier in the week. The Gold mines index came back 16.3 for a two-day loss of more than 24 points to 640.0, but still recorded a gain of 5.8 on the week.



Hambro Life dull

The volume of business in Insurances improved considerably yesterday. Hambro Life stood out with a fall of 16 to 322p, after 320p, following the disappointing new life business and commission figures for last year; parent company, Hambros, gave up 7 to 133p in sympathy. Alexander and Alexander, the second largest U.S. broking group, fell 1⅝ points to £13¼ following the surprise cut in the quarterly dividend from 48.5 cents to 25 cents a share. Firm of late on currency influences, Willis Faber gave up 5 to 535p and Hogg Robinson relinquished a few pence to 101p. Composites gained ground with Royals closing 5 better at 495p, after 500p, and Eagle Star ending the same amount dearer at 360p.

Wintrust revived in the banking sector, rising 14 to 178p on buying ahead of the interim report scheduled for later this month. Discount Houses made progress; Alexanders put on 8 to 286p and Cater Allen 10 to 330p. Union closed unaltered at 545p ahead of next Wednesday's preliminary results. The major clearers drifted lower on lack of interest. Barclays, 406p, and NatWest, 508p, lost 4 apiece. First National Finance Corporation softened a penny to 44p; the annual figures are due next week.

Buildings ended the first leg of the Account with small irregular price movements. Barratt Developments, an active market earlier in the week, drifted off to close 6 down but a net 18 up on the week at 472p, but George Wimpey eased a penny more to 137p. Bellway attracted support following a broker's circular and gained 6 to 118p with the new nil-paid shares 2 up at 24p premium, after 26p premium. Marchwell, still reflecting favourable Press comment, firmed 4 for a gain on the week of 18 to 172p, while Whatlings rose 2 for a two-day jump of 12 to 48p in response to the sharply increased annual profits. Revived demand in a thin market lifted Higgs and Hill 6 to 252p, but John Finlan, at 140p, relinquished 2 of the previous day's speculative gain of 12 following Aitken Hume's denial of bid intentions. Hopes of an early decision on whether or not the rival bids from London Brick and Redland would be subjected to a Monopolies Commission inquiry left Ibstock Johnsen a penny dearer at 103p. Among Timbers, Trent Holdings, which announced interim results last Tuesday, put on 8 for a two-day gain of 16 to 130p, while Phoenix met revived speculative interest and rose 5 to 73p. Sheffield Brick jumped to 30p before settling a net 9 up at 28p as takeover rumours revived.

Having touched a 1982-83 peak of 384p before settling at 378p on Thursday, ICI slipped to 374p and drifted lower still on early Wall Street advices to close 8 down at 370p.

Leading Stores continued to drift lower amid renewed speculation that the recent upturn in consumer spending, which has buoyed the sector of late, is running out of steam. Marks and Spencer, 202p, British Home, 200p, and Gussies "A," 560p, all shed around 6, while Burton, still unsettled by the company's stated interest in UDS's Richard Shops womens-wear chain, gave up 8 to record a fall on the week of 21 at 302p. Buyers returned for Raybeck, 2 firmer at 30p, but comment on the interim figures clipped that much from MFI, 138p. Mellins continued to attract speculative support reflecting acquisition hopes despite the statement from the company disclaiming such rumours; the shares touched 186p before settling for a net gain of 7 on the day and 47 on the week at 181p.

Racal rally

Racal rallied 8 but still sustained a fall of 59 on the week at 476p following Wednesday's disappointing interim statement. Other Electrical leaders drifted lower for want of support. Plessey softened 5 to 590p in the wake of Thursday's large share-placing at around 582p, while GEC gave up 4 to 200p. Elsewhere, Cable and Wireless continued to attract investment buyers and closed a further 8 higher at 355p, while Amstrad advanced 15 to 350p in a restricted market. Despite the Board's recent bid denial, Arlen rose 8 more to 190p and the new nil-paid shares put on 9 to 152p on persistent talk of an offer from Thorn EMI. Oceonics jumped 30 to 780p following confirmation of the group's acquisition of Intersite Surveys from Royal Volker Stevin and the subsequent vendor share-placing.

Comment on the abysmal interim results and accompanying gloomy statement prompted renewed weakness in Davy Corporation which fell 5 more making a two-day drop of 26 to 54p. John Brown succumbed to nervous offerings ahead of half-year figures due next Friday and lost 3 to 21p, while Hawker, a firm market of late on currency considerations, retreated 8 to 366p following profit-taking. TI, however, revived with a gain of 6 to 144p. Elsewhere in Engineerings, E. Austin fell 12 to 38p on profit-taking awaiting further news of the bid approach; the shares retain a rise of 13 on the week. Speculative support for Associated Tooling was withdrawn but the shares, at 115p, still recorded a rise of 33 on the week. Simon came on offer and fell 8 to 342p.

Bio-Isolates' preliminary figures were more or less as expected, but the accompanying statement caused a certain amount of confusion and the shares, marked down to 255p on the announcement, rallied sharply to 310p before closing 10 down on balance at 280p.

The Food leaders again featured Tate and Lyle, which put on 14 for a gain on the week of 38 to 270p on the better-than-expected preliminary profits and sharply increased dividend. Tesco, a neglected market recently, rose 4 to 123p, while Associated Dairies, interim results due next Wednesday, hardened 2 to 154p. Elsewhere, Sidney C. Banks gained 6 to 161p on further consideration of the increased half-year profits and the Board's confident statement. Revived demand in a thin market lifted Somportex 7 to 45p. Home Farm Products firmed 4 to 106p, the increased half-year profits outweighing the chairman's cautious statement on second-half prospects.

Utd. Guarantee good

Numerous features emerged among secondary miscellaneous industrials. Speculative buying fuelled by revived talk of a large shareholding in the company changing hands helped United Guarantee to jump 6 to 21p, after 26p, while Staffordshire Potteries rose 8 to 41p to the accompaniment of vague takeover suggestions. Bellair Cosmetics reflected renewed speculative support with a rise of 6 to 26p, while bid hopes following the recent announcement that a near-30 per cent stake in the company had changed hands left Diamond Stylus 4 dearer at 18p, after 20p.

Also reflecting takeover hopes, Erskine House improved 5 making a gain on the week of 12 to 71p, while UKO International closed 4 to the good at 37p in response to an investment recommendation. Spong gained 3 to 24p. Benlox rallied the same amount, to 35p, after recent weakness caused by the announcement that the chairman faces Inland Revenue tax charges. London and Liverpool Trust were again active, jumping initially to a new peak of 483p before reacting to close 18 down on balance at 452p; the shares are up by 115 on the week. The interim deficit and bleak outlook for the second-half prompted a fall of 7 to 63p in J. and J. Dyson ordinary, with the A shares losing 4 to 64p. Abbey gave up 2 to 32p following the reduced interim profits, while Sotheby's reflected fading hopes of a U.S. bid with a fall of 25 to to 425p. Reflecting the easier gold bullion price, Johnson Matthey closed 14 off at 326p. The leaders turned dull.

Lucas became a nervous market and gave up 6 to 127p awaiting union reaction to proposed workforce reductions at the group's electrical division. Dunlop eased a couple of pence to 47p, while Dowty, interim results expected on Monday, shed a penny to 149p. Aerospace Engineering, mid-term figures due next Wednesday, rose 5 more to 150p.

Newspapers continued to feature Fleet Holdings, which responded to renewed investment support with a gain of 3 to 46p, up 11 on the week. Elsewhere, British Printing, firm of late following union agreement to the proposed rationalisation of the group's gravure division, encountered profit-taking and eased 8 to 97p, still, however, retaining a rise on the week of 8. A Press recommendation lifted Brunning 4 to 123p with the Restricted Voting closing 10 up at 96p. Advertising agencies made notable progress as buyers came in ahead of Monday's introduction to the Unlisted Securities Market of Wight Collins Rutherford Scott which is widely expected to trade at a premium of over 100p on the placing price of 150p per share. Geers Gross were particularly active and advanced 21 to 193p, while Saatchi and Saatchi closed 35 dearer at 675p.

Leading Properties drifted easier as buyers held off, Land Securities losing 3 to 282p and MEPC 4 to 192p. Elsewhere, Percy Bilton touched 224p before settling a net 4 up at 222p on continuing speculation about the late chairman's stake in the company. Buyers showed interest in Rosehaugh, which gained 7 to 182p, while Mountleigh firmed 5 for a jump on the week of 32 to 145p on the increased half-year profits and the Board's confident statement. Elsewhere, Hongkong Land shed 4 to 38p following Press comment highlighting the group's links with the troubled Carrian Investments. Swire Properties gave up 7 to 55p.

After Thursday's late surge on indications that Saudi Arabia may agree to a cutback in quotas rather than reduced oil prices, the Oil majors traded on a steady note awaiting the outcome of Sunday's Opec meeting. Ultramar, a strong performer recently, touched 580p before closing a net 59 up on the week at 577p. Elsewhere, New Court Resources found support following Press comment and gained 6 to 35p, while a squeeze on bear positions prompted a gain of 12 to 278p in British Borneo. Charterhouse met renewed demand and firmed 6 to 89p, while Sovereign, reflecting support that developed late on Thursday, rose 15 to 160p.

Textiles passed another featureless session with the notable exception of Scott and Robertson, which continued to benefit from Press comment highlighting the proposed acquisition of Plasti-Covers and rose 3½ for a gain on the week of 14½ to 47p.

Golds under pressure

South African Golds ended the week on a dull note. Renewed pressure on the bullion price, which dropped $9 to $483.5 an ounce—led to persistent and often substantial profit-taking throughout the list of Gold shares with the recent high-flyers notably weaker.

Randfontein gave up £1¼ to £36¾ and Hartebeest £1⅛ to £52¼, while falls of between ¼ and a full point were common to Buffels, £35, Kloof, £30¼ and Unisel, £10¼. West Rand Consolidated dipped 47 to 440p.

The Gold Mines index fell 16.3 to 640—a week's gain of 5.5.

Financials also attracted heavy profit-taking, especially the London-registered stocks, which were unsettled by sizable selling in the after-hours' business reflecting the downturn in UK equities as well as weak precious and base-metal prices.

Among the South African leaders, Gold Fields of South Africa closed a net point lower at £71, after £72¼, while De Beers fell 7 to 436p and Amgold £3¼ to £73.

Platinums lost ground in sympathy with Golds, with falls of between 20 and 30 common to Impala, 630p, Lydenburg, 330p and Rustenburg, 430p.

Strong gains in overnight Sydney and Melbourne markets attracted renewed and heavy speculative buying of the junior gold exploration stocks. Carr Boyd Minerals jumped 6 more to a 1982-83 high of 52p, Kalbara rose 5 to 32p while gains of 4 were common to Black Hill Minerals, 62p, Otter Exploration, 44p, and Whim Creek, 92p.

Elsewhere, Metals Exploration moved up 3 to 38p, Newmetal a like amount to a 1982-83 high of 28p and Australian Consolidated Minerals 2 to 24p.

Canadian high-flyer Zone Petroleum, which on Tuesday touched a year's best of 360p, fell 8 to 297p.

Although the uncertain performance of London equity markets precluded any notable movement among premiums, volume in Traded Options remained exceptionally high and 4,895 contracts were done to bring the week's total to 18,029—a record since inception. Reflecting demand seen late on Thursday, Oils attracted good support during the morning session; business tailed off later, but British Petroleum recorded 631 calls and 112 puts. Steady support was also noted for Imperial Group and Lonrho with 599 and 443 calls traded respectively. Grand Metropolitan attracted 419 calls, of which 337 were struck in the January 330's.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Jan 21 1983: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Jan 20 Index No.	Wed Jan 19 Index No.	Tues Jan 18 Index No.	Mon Jan 17 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (208)	429.32	−0.3	9.34	4.01	13.33	430.50	430.44	432.88	434.19	370.73	455.23 (4/11/82)	351.14 (14/1/82)	455.23 (4/11/82)	50.71 (13/12/74)
2	Building Materials (24)	417.63	−0.1	10.11	4.54	11.91	417.90	414.64	411.62	415.25	324.57	426.76 (7/1/83)	299.54 (6/1/82)	426.76 (7/1/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	753.45	+0.1	11.69	4.39	10.19	752.96	748.94	742.30	746.43	572.94	756.89 (10/1/83)	529.58 (6/1/82)	756.89 (10/1/83)	71.48 (2/12/74)
4	Electricals (32)	1620.81	+0.2	7.42	2.13	17.28	1617.51	1626.29	1663.24	1665.98	1262.40	1904.92 (11/10/82)	1205.68 (14/1/82)	1904.92 (11/10/82)	84.71 (25/6/62)
5	Engineering Contractors (10)	405.50	−2.3	17.29	7.37	7.08	414.99	432.91	418.38	423.55	517.79	523.05 (5/2/82)	405.50 (21/1/83)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (66)	199.86	−1.3	12.12	5.92	10.09	202.55	202.01	201.11	201.50	199.11	210.68 (6/9/82)	187.11 (6/4/82)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	159.98	−1.7	13.53	7.78	8.87	162.78	163.95	162.24	162.98	174.66	182.98 (29/1/82)	128.49 (5/10/82)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	78.66	−2.0	1.09	8.09	—	80.30	80.27	80.07	80.69	101.75	102.40 (3/2/82)	72.33 (4/10/82)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (17)	386.62	−0.1	9.06	5.52	13.74	387.19	380.88	377.80	377.45	394.25	410.63 (5/2/82)	337.32 (9/8/82)	410.63 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (201)	409.28	−0.7	10.20	4.33	11.88	412.28	407.87	403.31	408.63	286.63	415.68 (7/1/83)	265.59 (5/1/82)	415.68 (7/1/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	451.87	−1.0	11.16	4.72	10.94	456.51	456.04	449.03	450.25	291.62	458.00 (6/1/83)	261.00 (12/1/82)	458.00 (6/1/83)	69.47 (13/12/74)
25	Food Manufacturing (21)	334.59	+0.4	13.68	5.51	8.57	333.41	331.41	330.82	336.72	265.01	339.73 (5/11/82)	255.63 (21/6/82)	339.73 (5/11/82)	59.67 (11/12/74)
26	Food Retailing (14)	857.53	+0.8	7.30	2.75	17.20	851.03	848.14	852.99	867.80	591.30	915.86 (17/11/82)	545.79 (5/1/82)	915.86 (17/11/82)	54.25 (11/12/74)
27	Health and Household Products (8)	725.75	−1.6	5.44	2.51	21.83	737.83	719.70	710.33	722.34	383.74	743.51 (15/11/82)	338.70 (5/1/82)	743.51 (15/11/82)	175.38 (28/5/80)
29	Leisure (24)	486.68	+0.2	8.42	4.95	15.39	485.71	477.71	472.64	473.82	437.24	486.68 (21/1/83)	395.85 (9/7/82)	486.68 (21/1/83)	54.83 (9/1/75)
32	Newspapers, Publishing (13)	698.18	−1.1	9.07	4.64	13.90	705.62	710.87	699.86	684.40	498.77	710.87 (19/1/83)	472.39 (14/1/82)	710.87 (19/1/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	151.65	−1.6	15.36	7.39	7.64	154.10	154.18	154.25	152.37	142.96	154.25 (18/1/83)	130.74 (5/1/82)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (47)	352.28	−1.4	8.56	3.90	15.44	357.36	354.48	349.34	358.15	260.47	397.17 (19/11/82)	238.02 (5/1/82)	397.17 (19/11/82)	52.63 (6/1/75)
35	Textiles (23)	180.09	−0.4	13.20	5.95	9.18	180.87	179.02	177.66	178.33	165.59	182.62 (12/5/82)	152.91 (5/1/82)	236.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	490.39	−0.5	17.89	5.65	6.18	492.75	479.64	466.37	473.31	292.34	492.75 (20/1/83)	251.28 (6/1/82)	492.75 (20/1/83)	94.34 (13/6/62)
39	Other Consumer (11)	356.90	+0.4	2.36	3.90	—	355.57	350.37	350.43	349.71	270.42	356.90 (21/1/83)	247.87 (1/1/82)	356.90 (21/1/83)	229.84 (28/9/81)
41	OTHER GROUPS (77)	300.72	−0.6	11.53	5.53	10.43	302.69	300.73	298.60	299.10	249.51	302.69 (20/1/83)	228.88 (5/1/82)	302.69 (20/1/83)	58.63 (6/1/75)
42	Chemicals (15)	395.24	−1.6	12.48	6.12	9.52	401.77	401.05	394.23	395.74	336.45	401.77 (20/1/83)	297.89 (5/1/82)	401.77 (20/1/83)	71.20 (1/12/74)
44	Office Equipment (5)	89.28	−2.4	15.35	8.10	8.00	91.52	88.71	89.03	89.17	118.71	131.88 (29/1/82)	78.52 (22/12/82)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	539.84	−0.6	16.05	7.88	7.42	543.06	543.44	540.68	546.31	574.80	587.26 (5/2/82)	496.46 (10/12/82)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (44)	428.63	+0.4	9.31	4.23	13.07	426.80	422.76	422.91	422.00	307.02	428.63 (21/1/83)	289.92 (5/1/82)	428.63 (21/1/83)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (486)	402.07	−0.6	10.08	4.37	12.11	404.35	401.68	399.71	403.00	311.42	410.34 (7/1/83)	289.79 (5/1/82)	410.34 (7/1/83)	59.01 (13/12/74)
51	Oils (14)	766.84	−0.3	16.49	7.54	7.15	768.91	752.87	746.13	758.85	719.43	792.72 (22/10/82)	627.13 (10/3/82)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	432.38	−0.5	11.05	4.85	10.96	434.64	430.84	428.46	432.55	345.69	437.01 (7/1/83)	324.63 (12/1/82)	437.01 (7/1/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	283.82	−0.1	—	6.22	—	284.22	282.23	279.12	280.76	256.68	284.22 (20/1/83)	238.25 (28/6/82)	284.22 (20/1/83)	55.88 (13/12/74)
62	Banks (6)	291.85	−0.7	34.55	8.26	3.16	294.04	292.50	291.02	292.96	283.70	304.42 (22/2/82)	249.31 (4/10/82)	304.42 (22/2/82)	62.44 (12/12/74)
63	Discount Houses (8)	279.97	+0.5	—	8.46	—	278.62	279.23	281.47	282.94	216.71	334.35 (14/10/82)	211.15 (7/1/82)	334.35 (14/10/82)	81.40 (10/12/74)
65	Insurance (Life) (9)	352.83	−0.5	—	5.43	—	354.45	350.65	346.95	350.73	257.51	363.91 (15/11/82)	243.18 (12/1/82)	363.91 (15/11/82)	44.88 (2/1/75)
66	Insurance (Composite) (10)	195.33	+0.6	—	7.28	—	194.07	191.57	189.11	190.05	158.35	195.33 (21/1/83)	147.23 (20/5/82)	195.33 (21/1/83)	43.96 (13/12/74)
67	Insurance Brokers (7)	556.92	−0.7	11.53	4.89	12.07	560.91	550.78	542.87	545.73	438.40	584.97 (20/10/82)	410.59 (13/1/82)	584.97 (20/10/82)	66.86 (16/12/74)
68	Merchant Banks (13)	161.71	+0.7	—	5.34	—	160.53	160.04	159.72	159.41	148.35	162.30 (15/11/82)	128.79 (5/7/82)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (54)	422.53	−0.4	6.10	4.24	21.66	424.24	424.51	420.78	423.78	457.53	468.36 (11/3/82)	378.29 (26/11/82)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (14)	208.98	+0.6	13.37	5.58	8.88	207.74	206.23	204.23	203.61	195.61	208.98 (21/1/83)	157.25 (16/8/82)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	396.55	+0.7	—	4.23	—	393.78	389.45	380.54	388.15	304.66	396.55 (21/1/83)	283.53 (6/1/82)	396.55 (21/1/83)	71.63 (13/12/74)
81	Mining Finance (4)	263.20	−2.3	7.80	5.40	17.17	269.36	273.55	268.71	271.65	225.64	273.55 (19/1/83)	169.40 (21/6/82)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (16)	433.16	+0.3	11.52	8.35	11.46	431.72	430.16	433.66	433.87	425.30	438.99 (11/2/82)	327.29 (21/6/82)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	396.59	−0.4	—	5.08	—	398.27	395.07	392.79	395.82	323.39	398.27 (20/1/83)	306.22 (12/1/82)	398.27 (20/1/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Jan 21	Day's change %	Thur Jan 20	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.45	−0.01	116.47	—	0.98
2	5-15 years	125.04	−0.42	125.57	—	1.35
3	Over 15 years	130.93	−0.87	132.08	—	0.80
4	Irredeemables	137.14	−0.78	138.22	—	0.00
5	All Stocks	124.06	−0.43	124.60	—	0.86
6	Debentures and Loans	100.87	+0.03	100.84	—	0.23
7	Preference	75.36	−0.02	75.37	—	0.21

	AVERAGE GROSS REDEMPTION YIELDS		Fri Jan 21	Thur Jan 20	Year ago (approx.)	1982/83 Highs	1982/83 Lows
	British Government						
1	Low Coupons	5 years	9.05	8.96	12.49	13.49 (5/1/82)	7.89 (2/11/82)
2		15 years	10.63	10.55	13.80	14.28 (5/1/82)	9.25 (11/11/82)
3		25 years	10.90	10.77	13.61	14.17 (12/1/82)	9.47 (2/11/82)
4	Medium Coupons	5 years	11.60	11.56	15.39	16.41 (12/1/82)	9.89 (11/11/82)
5		15 years	11.78	11.66	15.43	16.10 (5/1/82)	10.32 (3/11/82)
6		25 years	11.37	11.21	14.81	15.46 (12/1/82)	10.01 (19/10/82)
7	High Coupons	5 years	11.70	11.66	15.33	16.30 (8/1/82)	9.96 (3/11/82)
8		15 years	11.96	11.85	15.60	16.28 (5/1/82)	10.55 (2/11/82)
9		25 years	11.54	11.39	15.13	15.76 (12/1/82)	10.14 (2/11/82)
10	Irredeemables		10.78	10.69	13.15	13.64 (12/1/82)	9.31 (3/11/82)
11	Debs & Loans	5 years	12.68	12.63	16.37	17.07 (12/1/82)	11.11 (12/11/82)
12		15 years	12.63	12.63	16.20	16.85 (12/1/82)	11.35 (12/11/82)
13		25 years	12.66	12.63	16.30	16.72 (12/1/82)	11.49 (15/11/82)
14	Preference		13.18	13.18	15.94	16.24 (11/1/82)	12.24 (12/11/82)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
			[illegible]	[illegible]	[illegible]

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡‡	F.P.	—	263	250	AMEC (50p)	252	.....	g9.0	—	6.1	—
§108	F.P.	13/1	199	140	✠Baltic Leasing 5p	189	+5	b2.8	3.5	2.1	14.9
§75	F.P.	10/1	175	115	✠Bespak 10p	173	.....	b2.5	3.5	2.0	18.2
‖‖	F.P.	—	16	12	✠Booth (Charles) 5p	16	.....	—	—	—	—
§100	F.P.	29/4	102	100	Br. Kidney Pat. As.	102	.....	—	—	—	—
¶213	100p	29/4	84	60	Britoil 10p	62	+2	b9.9	1.8	8.0	8.8
§74	F.P.	21/1	158	103	✠Canvermoor	156	.....	b3.64	2.0	3.5	17.9
55	F.P.	7/1	133	95	✠Garfunkels Rest. 10p	115	+1	b1.66	3.2	2.3	15.0
§17	F.P.	31/1	35	24	✠Inn Leisure 5p	34	+1	bd.42	3.7	1.8	17.0
§130	F.P.	14/1	190	153	✠Memory Comp Ir 10p	190	.....	bQ2.8	5.6	1.2	20.1
§120	F.P.	30/12	266	126	✠Micro Bus. Sys. 10p	253	−6	b2.25	3.4	1.3	25.1
§190	F.P.	—	388	330	✠Microgen	380	−8	b4.0	2.9	1.5	31.3
§155	F.P.	7/1	255	200	✠Munford & White	245	.....	b2.6	2.4	1.5	33.4
‖	F.P.	—	177	149	✠NMW Computers	170	−2	g6.0	2.8	2.5	18.0
§93	F.P.	4/2	198	145	✠Resource Tech. 10p	173	−2	—	—	—	53.3
585	F.P.	14/1	217	145	S.T.C (New)	194	−1	b6.0	1.9	4.4	15.9
§32½	F.P.	21/12	150	102	✠Slaters Food Prds 10p	143	+1	b2.0	3.5	2.0	16.1
‡‡	F.P.	—	15	13	✠Southwest Res. 10p	13	.....	—	—	—	—
§120	F.P.	—	126	110	✠Swindon Priv Hos £1	110	.....	—	—	—	—
§§210	F.P.	17/12	342	273	Systems Design'rs 10p	342	+7	b2.2	3.5	0.9	45.8
§10½	F.P.	—	40	13	✠Tope Estates 10p	40	.....	—	—	—	—
‡‡	F.P.	18/2	195	175	Transcontl. Serv. 50c	187	.....	HQ3.57	—	5.1	—
§80	F.P.	—	87	55	‡‡Voyager Pet. (UK)	55	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
‡‡	F.P.	—	108	108	AMEC 15% Uns. Ln. 1992	106½	.....
97.504	£25	4/3	29½	15¾	BOC 19¼% Uns. Ln. 2012-17	19	−¼
99.431	£20	10/4	21⅞	16	Birmingham 11½% Red. 2012	13⅞	−¼
95.574	£25	29/4	26¼	23½	Bishopsgate Tst. 7-17% Stpd Deb 2023	24¼	+½
‡‡	F.P.	—	150	87½	European Inv. Bk. 11% Ln. 2002	87½	.....
‡‡	F.P.	—	36p	30p	Jessel Toynbee 5.75% Red Cum. Pref.	35p	.....
99.790	£25	31/5	26¼	22	London Shop 12.5% 1st Mt. Deb. 2015-20	24¼	.....
99.15	£28	31/5	24¾	20¾	NatWest 13⅞% Sub. ord Uns Ln 2004	22¼	.....
—	—	—	100¼	99½	Nationwide Bg. Soc. 11¼% Bds. (19/12/83)	99¾	.....
—	—	—	99	98	Do. 11⅞ Bds. (16/1/84)	99	.....
§97.174	£25	—	24¼	24	Pearson (S) 13% Uns. Ln. 2007/24		.....
§92.723	£30	25/2	30¾	26¼	Scottish Eastern Inv. Tst 12% Deb. 2012	28⅛	.....
95.55	£25	8/7	25¾	25	Sweden 13½% Ln. Stk. 2010	24⅞	−¼
‡‡	F.P.	18/2	90	85	Transcont. 9% Cnv. Ret. Uns. Ln. Nts. 1995	85	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
28	Nil	28/1	18/2	152pm	94pm	Arlen Elec.	169pm	+3
90	Nil	28/1	18/2	26pm	16pm	Bellway	24pm	+2
50	Nil	—	—	5pm	2pm	Cluff Oil 'B'	2pm	−1
60	F.P.	14/1	11/2	73	65	ICL	73	.....
85	Nil	—	—	24pm	16pm	NSS News 10p	21pm	.....
38	Nil	3/2	29/4	5pm	5pm	Stakis 10p	5pm	.....
470	F.P.	11/1	11/2	595	523	Wolseley-Hughes	585	.....

Renunciation date usually last day for dealing free of stamp duty. fr French Francs. & Figures based on prospectus estimate. g Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters.

FINANCIAL TIMES STOCK INDICES

	Jan. 21	Jan. 20	Jan. 19	Jan. 18	Jan. 17	Jan. 14	A year ago
Government Secs.	78.34	78.92	78.90	78.67	79.49	78.86	63.93
Fixed Interest	80.61	80.68	80.65	80.46	80.66	80.37	64.06
Industrial Ord.	619.4	624.8	621.6	614.8	619.8	614.3	559.1
Gold Mines	640.0	656.3	664.2	656.5	650.4	634.8	266.2
Ord. Div. Yield	4.84	4.79	4.84	4.86	4.81	4.85	5.44
Earnings, Yld.% (full)	10.40	10.29	10.30	10.40	10.26	10.46	9.87
P/E Ratio (net) (*)	11.55	11.66	11.67	11.56	11.72	11.47	16.16
Total bargains	23,550	25,713	24,021	24,768	25,660	25,225	20,134
Equity turnover £m.	—	236.69	212.71	200.71	222.06	249.46	235.05
Equity bargains	—	19,498	19,122	21,144	24,168	22,874	21,926
Shares traded (ml)	—	145.6	165.0	135.1	166.8	160.9	148.9

10 am 625.7. 11 am 627.6. Noon 624.1. 1 pm 623.4. 2 pm 623.4. 3 pm 623.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.72.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (8/11)	31.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (5/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	664.2 (19/1/83)	181.2 (22/6)	664.2 (19/1/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 20	Jan. 19
—Daily		
Gilt Edged Bargains	167.8	162.7
Equities Bargains	126.3	123.9
Value	472.3	429.9
5-day Avrge		
Gilt-Edged Bargains	215.7	231.2
Equities Bargains	138.0	139.2
Value	452.3	452.0

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, January 20 1983.

Gold Mines Index	+ 17.93	Leisure	+ 4.65
Insurance Brokers	+ 14.48	Shipping and Transport	+ 4.24
Mining Finance	+ 13.78	All-Share Index	+ 4.20
Office Equipment	+ 13.06	Other Groups	+ 3.98
Newspapers, Publishing	+ 12.63	Building Materials	+ 3.87
Health and H'sehold. Products	+ 11.28	Chemicals	+ 3.77
Insurance (Composite)	+ 11.06	Motors	+ 3.73
Overseas Traders	+ 10.82	Food Manufacturing	+ 2.19
Tobaccos	+ 10.78	500 Share Index	+ 3.15
Metals and Metal Forming	+ 10.25	Contracting, Construction	+ 2.95
Investment Trusts	+ 9.91	Property	+ 2.69
Oils	+ 9.72	Consumer Group	+ 2.65
Packaging and Paper	+ 9.13	Industrial Group	+ 2.01
Other Industrial Materials	+ 6.72	Brewers and Distillers	+ 1.41
Other Consumer	+ 6.39	Capital Goods	+ 0.25
Banks	+ 6.19	Insurance (Life)	− 0.71
Financial Group	+ 6.07	Food Retailing	− 0.98
Textiles	+ 5.50	Engineering Contractors	− 3.70
Merchant Banks	+ 6.47	Discount Houses	− 4.28
Mechanical Engineering	+ 4.68	Electricals	− 4.74
		Stores	− 5.76

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 24	Feb 4	May 5	May 16
Feb. 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13

For rate indications see end of Share Information Service

Calls were arranged in Leisuretime, Kia Ora Gold, MFI, Philcom, Amber Day, Television South, London and Liverpool, British Car Auction, Tozer Kemsley and Millbourn, Lonrho, KCA Drilling, Premier Oil, Provident Financial, Audiotronic, Erskine House, A. Caird, Bespak, Lightening Ridge, Lasmo and UKO International. No puts were reported, but doubles were taken out in Davy, Barratt Developments and Lonrho.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	6	76	19	203	186	101
Corporations, Dom. and Foreign Bonds	7	8	62	104	46	233
Industrials	262	291	770	1,613	1,185	3,821
Financial and Props.	172	75	267	841	392	1,339
Oils	36	24	49	129	115	303
Plantations	1	2	19	27	9	75
Mines	39	60	50	276	208	263
Others	52	58	50	274	285	260
Totals	574	598	1,285	3,467	2,424	6,395

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (169)

AMERICANS (8)
Abbott Labs., Damson Oil, GATX, Gulf Oil, Quaker Oats, Rep. N.Y. Corp., Sperry Corp., Texaco

CANADIANS (1)
Tor. Dom. Bank

BANKS (4)
Goode Durrant, Hill Samuel, Ottoman Bank, Lon. Scot. Fin.

BEERS (1)
Bell (A.)

BUILDINGS (9)
Bellway, Countryside, Henderson (P. C.), Higgs & Hill, McLaughlin, Marchwiel, Roberts, Adlard, Trent Hldgs., Whatlings

CHEMICALS (4)
Ciba Geigy 8½pcCnv, Halstead (J.), Hickson Welch, Plysu

STORES (3)
Kean & Scott, Mellins, Steinberg

ELECTRICALS (6)
Amstrad, Arlen, Audiotronic, Cable & Wireless, Dale Elec., Fidelity Radio

ENGINEERING (4)
Adwest Group, Bullough, Folkes Hefo NV, Martonair

FOODS (6)
Banks (Sidney C.), Hazlewood, Home Farm, Morrison (Wm.), Paterson Jenks, Tate & Lyle

INDUSTRIALS (15)
Attwoods, Cont. Group, Cont. Stationery, Erskine House, Eastern Produce, Friedland Doggart, Hepworth Ceramic, Lon. Liv. Trust, Moben Group, Norcros, Pearson (S.), Spong, Staffs. Potts., Trafalgar House, United Guarantee

INSURANCE (3)
G.R.E., Liberty Life, Royal Ins.

LEISURE (1)
Leisuretime Int.

MOTORS (3)
Reliant Motor, Cowie (T.), Young (H.)

NEWSPAPERS (2)
Daily Mail A, Fleet Hldgs.

PAPER (7)
Bemrose, Brunning, Do. Res. Vtg., Geers Gross, Hunterprint, Ogilvy & Mather, Saatchi

PROPERTY (2)
Aquis Secs., Sifton (Percy)

SHIPPING (1)
Mersey Dock Units

SOUTH AFRICANS (1)
OK Bazaars

TEXTILES (4)
Allied Textile, Corah, Richards, Scott & Robertson

TOBACCOS (1)
BAT Inds.

TRUSTS (73)

OIL & GAS (1)
Ultramar

OVERSEAS TRADERS (1)
Finlay (J.)

MINES (8)
Doornfontein, Black Hill, Bougainville, CRA, Carr Boyd, GM Kalgoorlie, Newmetal, Seltrust

NEW LOWS (9)

ELECTRICALS (1)
C.A.S.E.

ENGINEERING (2)
Davy Corp., Weltman

INDUSTRIALS (4)
Central Sheerwood, Fenner (J. H.), Dyson (J. & J.), Do. A

LEISURE (1)
Nimslo Int.

OIL & GAS (1)
Lon. Am. En'gy Invs.

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Lon. & Liv. Tst.	147	470	+129	BAT Industries	95	704	+44
Mellins	130	174	+66	Combnd. Tech.	91	71	+ 8½
Wilkes (J.)	126	345	+90	Driefontein	85	£24	+ 1½
Racal	119	468	−71	MFI	84	140	+ 7
Bio-Isolates	104	290	+40	GEC	83	204	—
Glaxo	103	£15	+ 1½	Cns. Gold Flds.	80	555	+22
ICI	98	378	+26	Deelkraal	80	379	+49

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Lon. & Liv. Tst.	24	470	+62	Mellins	16	174	+10
Davy Corpratn.	23	59	−21	Ultramar	15	575	+17
Glaxo	23	£15	+ 0½	Cable & Wire.	14	357	+12
Plessey	20	595	− 7	Combnd. Tech.	14	71	+ 4
BAT Industries	19	704	+13	Driefontein	14	£24	—
Racal	19	468	−17	Eurotherm	13	540	−25
Bio-Isolates	13	290	−10	Hawley	13	133	+11

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Arlen Elec.	190	+ 8	Guardian Royal	408	+ 4
Bio-Isolates	280	−10	Hambro Life	322	−19
Combined Tech.	70	− 1	London and Liv. Tst.	452	−18
Consd. Gold Fields	538	−17	RTZ	514	− 9
Eagle Star	360	+ 5	Tate and Lyle	270	+14
Geers Gross	193	+21	United Guarantee	21	+ 3

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong

Wardley Trust	HK$30.96	32.70	....	4.28
Wardley Nikko Sc. Fd	US$26.55	27.74	....	5.41
Wardley Bond Trust	$10.70	10.90	....	8.35
Wardley Japan Trust	$19.63	20.39	....	1.03

Westayon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gth & Option Fd.	99.0	104.0	....	3.00

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.88	—	+0.05	—

Inv. Adv.. M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	35.7	37.2	....	3.10
Chinese Fund	74.8	77.9	....	1.70
Precious Metal Fund	148.6	154.5	....	8.30
Vanguard Cmdy. Fd.	45.2	46.3	....	2.26
Financial Futures Fd.	134.3	139.7	....	—
Wren Intl. Fnd.	$0.928	0.967	....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield ...

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS & HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

For Lowland Drapery see LDH Group

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

مكتبة بين الاعلاء

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh.50c	240	−10	Q25c	10.5	7.3
33	16	Wankie Col. Z$1	10	−1	†Q3c	1.2	11.3
24	12	Zam.Cpr.SBD0.24	23	......	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
24	10	♥ACM 20c	24	+2	—	—	—
28	6	♥Argosy Gold NL 25c	15	..	—	—	—
62	46	♥Black Hill Mins.	62	+4	—	—	—
151	54	♥Bond Corp.	65	+2	gQ10c	2.3	10.1
151	50	♥Bougainville	151	+4	[illegible]	1.2	‡
259	147	♥CRA 50c	259	+5	†Q5c	—	‡
52	10	♥Carr Boyd 20c	52	+6	—	—	—
56	21½	♥Central Pacific	30	−1	—	—	—
380	152	♥Crusader Oil	305	+5	—	—	—
26	7	♥Cultus Pac NL	15	......	—	—	—
27	7	♥Eagle Grp 10c	12	+1½	—	—	—
23	8½	♥Endeavour 20c	12½	......	—	—	—
725	120	♥GM Kalgoorlie 25c	725	+15	hQ10c	♦	0.8
244	134	Hampton Areas 10p	236	+2	†3.0	2.8	1.8
32	10	♥Haoma NW	19½	......	—	—	—
22	9	♥Inter Mining	16	......	—	—	—
36	2	♥Kalbara Min 20c	32	+5	—	—	—
13½	5	♥Keywest Expl.	13	......	—	—	—
126	30	♥Kitchener NL 25c	118	......	—	—	—
190	92	♥Meekatharra 25c	158	......	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

530	270	♥Tara Expln $1	490	−40	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- D No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	48	......
Bertrams	17‡	......
Bdg'wtr. Est. 50p	465	......
Craig & Rose £1	£12½	......
Finlay Pkg. 5p	31	......
Graig Ship. £1	£21	......
Higsons Brew.	105	+2
Holt (Jos) 25p	880	......
I.O.M. Stm. £1	97	......
Pearce (C. H.)	£12	......
Peel Hldgs.	160	......

IRISH

Exch. 15pc 1983	£100⅛	−⅛
Nat. 9¾% 84/89	£80	......
Fin. 13% 97/02	£92	......
Alliance Gas	115	......
Arnott	188	......
Carroll (P.J.)	80	......
Concrete Prods.	53	......
Heiton (Hldgs.)	15	......
Ins. Corpn. Ireland	360	−23
Irish Ropes	26	......
Jacob	82	......
T.M.G.	95	......
Unidare	42	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	15	Utd. Drapery	7
Allied-Lyons	15	I.C.I.	24	Vickers	12
BOC Grp.	17	"Imps"	10	Woolworth Hld.	15
B.S.R.	6	I.C.L.	8		
Babcock	10	Ladbroke	16	**Property**	
Barclays Bank	35	Legal & Gen.	28	Brit. Land	7½
Beecham	35	Lex Service	16	Cap. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Secs.	26
Boots	22	"Lofs"	4	MEPC	17
Bowaters	19	London Brick	11	Peachey	14
Brit. Aerospace	20	Lucas Inds.	12	Samuel Props.	18
B.A.T.	50	"Mams"	12	Town & City	5
Brown (J.)	4	Mrks. & Spncr.	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	11	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	12
Debenhams	3½	P & O Dfd.	14	Charterhall	5
Distillers	20	Plessey	50	KCA	8
Dunlop	5½	Racal Elect.	45	Premier	4
Eagle Star	30	R.H.M.	6	Shell	35
F.N.F.C.	4	Rank Org. Ord.	15	Tricentrol	22
Gen. Accident	30	Reed Intnl.	26	Ultramar	42
Gen. Electric	24	Sears	9		
Glaxo	90	T.I.	13	**Mines**	
Grand Met.	25	Tesco	8		
G.U.S. 'A'	50	Thorn EMI	38	Charter Cons.	20
Guardian	35	Trust Houses	13	Cons. Gold	40
G.K.N.	15	Turner & Newall	4	Lonrho	8
Hawker Sidd.	30	Unilever	65	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 16

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £680

FINANCIAL TIMES

Saturday January 22 1983

MEN IN THE NEWS

Quiet stalker finds his mark

BY PAUL TAYLOR IN NEW YORK

American Express, one of the world's biggest financial services companies, earlier this week unveiled surprise plans to merge its offshore banking interests with the non-U.S. banking business of Mr Edmond Safra's Trade Development Bank. The deal will create one of the biggest offshore banks in the world—with assets of over $13bn (£8.3bn), close to $1bn in capital and offices in about 40 countries. Financial Times writers examine the two very different characters who masterminded a deal which they scribbled on the back of a Montreal restaurant menu in the early hours of Tuesday.

JAMES D. ROBINSON III has a sign hanging in his office overlooking the Statue of Liberty. It reads: "Do something—lead, follow or get out of the way." The 47-year-old chairman of American Express, the mushrooming financial services company, prefers the first option.

This week, less than 18 months after he completed the $900m (£573m) merger with Shearson Loeb Rhoades, "Jimmy three sticks," or J. D. R. as he is now more reverently called, pulled off his second major coup.

The disarmingly soft-spoken son of an Atlanta banker catapulted the group's one-time lacklustre but lately increasingly profitable offshore banking subsidiary into the big time through a $551m merger with the non-U.S. interests of Mr Edmond Safra's Trade Development Bank Holding company (TDBH).

Nine hours after he had signed the deal J. D. R. was back in New York telling the world how "exstatic" he was with the fruits of Project Copper, the codename given to the year-long tracking, stalking and wooing of Mr Safra and TDBH. The planning, style and secrecy of the operation were typical of his style of measured risk-taking.

Not that things always go J.D.R.'s way. An attempt in 1979 at courtship with McGraw-Hill flopped because he "misread" the degree to which the chief executive was determined to remain independent. And his company's joint cable venture with Warner which Mr Drew Lewis, the former U.S. Transport Secretary, has just been persuaded to join continues to lose money—although J.D.R. displaying a characteristic visionary verve, says it was "a super acquisition."

He learned the value of secrecy in an earlier round of negotiations when the Press discovered his company's designs on Walt Disney Productions."

The fact that no word leaked out about the TDBH deal even though the previous day had seen the latest—but "coincidental," J.D.R. insists—in a series of senior management reshuffles at American Express is probably a tribute to his grip on the company.

At Morgan Guaranty as protege of Thomas Gates, then chairman, and subsequently in his years in the venture capital business at White, Weld and Company he picked up his strident management philosophy.

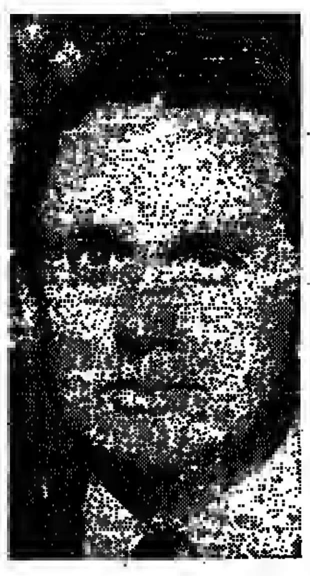
Above all, this emphasises quality of service but it also includes taking calculated risks to win the big rewards

He believes in "no surprise" management which means talking to his colleagues to mould their diverse and powerful personalities into a single driving team and to head off potential problems.

He is guided during his 70-hour working week by a set of personal directives, some of which he has borrowed from his upbringing. "My father used to say that he would not promote anyone until they could convince him that they had developed someone who could do their job better than they could," he recalls.

"I am very much at peace with myself," he claims. In part that probably reflects the luxury of leading a company which has just reported its 35th year of earnings growth. It also hints at his commitment to his own personal health.

Like any "son of Atlanta" he drinks coke—but its diet coke. Like many U.S. executives he plays golf, skis and takes part in executive fitness programmes. But he also likes discos and a month ago started aerobic dancing.



James D. Robinson III

Safra banks on 1,000 years' experience

BY WILLIAM HALL, BANKING CORRESPONDENT

"EDMOND SAFRA reminds me very much of the late Sir Siegmund Warburg. He has done an excellent job but the City's financial establishment has been slow to recognise him. They will have to now."

This is how one senior banker, unassociated with Mr Safra, yesterday summed up the career of the 51-year-old Lebanese Jew, who in less than 25 years has built one of the biggest and most successful banking empires this century, spanning 21 countries and with a capital base of over $1bn (£637m).

Based in Geneva, but travelling regularly round the world to get a "smell" of the countries he works in, the publicity-shy Edmond Safra is the fifth generation of a family which started life financing the caravan trade between Aleppo, Constantinople and Alexandria, over a hundred years ago.

After leaving Beirut in the early 1950s, Edmond helped his father Jacob establish a Brazilian bank which is now run by his brothers

However, Edmond soon moved on and arrived in Geneva where at the age of 24 he set up Sudafin, which was later renamed Trade Development Bank and is the nucleus of the group today, which contains the biggest foreign bank in Switzerland, the 20th biggest bank in the U.S. and banking operations in most of the world's leading financial centres.

The speed with which Mr Safra has built the Trade Development Bank into a major international banking group has made some bankers question whether he might have been taking unnecessary risks.

But bankers who know him stress Safra's conservatism and professionalism.

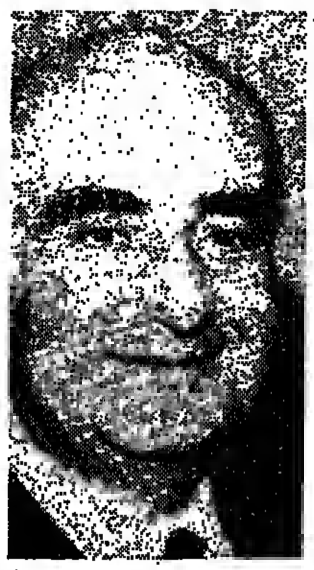
"To be conservative in banking is to be in banking for 1,000 years. The day you are not conservative you cannot survive. This is what I learned from my father," says Safra.

Jacob Safra's influence on his son has been an important factor on his success. The firm belief that the protection of a depositor's money is more important than anything else, has given Trade Development Bank, a loyal depositor base

Before this week's news, Mr Safra had been planning to merge his Luxembourg master company, Trade Development Bank Holding, with his New York bank; but the challenge of managing a much bigger bank attracted him.

"For me it is not selling a business but joining a big family." He stresses his admiration for American Express executives such as Jim Robinson and "Sandy" Weil and also notes that he will be the biggest individual shareholder

For a man whose wealth runs into hundreds of millions of dollars he is unassuming and quite likely to be found having a TV supper — admittedly washed down with a very good claret—watching the news for anything that could affect the world's financial markets.



Edmond Safra

Denmark accepts EEC formula to end fisheries dispute

BY OUR COPENHAGEN CORRESPONDENT

DENMARK has accepted proposals worked out by the EEC Commission which could end the European fisheries dispute.

Mr Henning Grove, Danish Fisheries Minister, gave the Danish parliamentary committee details of the new proposals yesetrday.

However, the British Ministry of Agriculture said in London it had not received official notification of any deal with Denmark. It is likely Britain will seek clarification of the proposals at next Tuesday's meeting of fisheries ministers.

No details have been made public in Copenhagen but Mr Arne Christiansen, chairman of the Danish parliamentary committee, said the proposals offered "considerable improvements."

Denmark, alone of the 10 EEC countries, declined to accept the fisheries regime worked out by the Commission before Christmas. It wanted a greater share of mackerel, increased rights in the so-called Shetlands Box, north of Scotland and some access to waters inside Britain's 12-mile coastal zone.

It is understood the new package includes six proposals.

- The Council of Ministers would try to reduce the size of the Shetlands Box
- It would try to extend herring quotas in the North and Norwegian seas
- Provisions would be made for fishing in Kattegat-Shagerrak waters at the mouth of the Baltic,
- Denmark would retain its community cod quota of 50,000 tonnes for the next three years, when the European Commission would present new quota proposals.
- Denmark would receive 21,900 tonnes of mackerel in 1983 and would be guaranteed a future minimum mackerel quota of 20,000 tonnes a year in the context of agreements with countries outside the EEC.
- Improvements in the community's catch reporting system. This could give Denmark greater opportunities if other fishin gstates fail to meet their quotas.

Grim forecast on Danish budget deficit, Page 2

Banks arrange $1.5bn safety net for Seafirst

BY PAUL TAYLOR IN NEW YORK

MAJOR U.S. banks have arranged an emergency $1.5bn (£949.3m) standby credit for the troubled Seafirst Corporation of Seattle, parent company of Seattle First National Bank, the 26th largest bank in the U.S., which bought $400m in energy loans from the failed Penn Square Bank.

The unusual safety net credit line was set up at the request of Seafirst to coincide with the announcement of an unexpectedly large $61.4m fourth-quarter net operating loss and a $90.2m loss for the full year.

Seafirst is the only large U.S. bank to have reported a loss for the two periods in 1982. The majority of institutions have reported higher profits.

The credit, led by Bankers Trust, involves about 13 big U.S. banks including Citicorp, BankAmerica, Morgan Guaranty and Manufacturers Hanover. Seafirst hopes to have no need to draw on the facility.

In addition, Seafirst cut its quarterly dividend from 36 cents to 12 cents a share.

Mr Richard Cooley, Seafirst's recently appointed chairman and chief executive, who moved to the bank from Wells Fargo Bank, to help sort out its problems, apparently made the request for the support Seafirst will have.

Seafirst and some other U.S. banks were badly hit last summer by the collapse of Penn Square Bank. The Oklahoma City bank had sold them a large volume of loans from the energy sector but many of these loans had to be written off when weakening oil prices caused a number of bankruptcies among energy explorers and producers. Penn Square's deep involvement in this loan business forced federal authorities to wind it up.

The bank holding company's Oklahoma City Bank had sold fourth quarter and full year losses contrast with its net operating profit of $20.7m or $1.31 a share in the final 1981 quarter and $78.5m or $5.04 a share net operating profits for the 1981 full year.

The latest quarter loss came after $125m in provisions for loan losses bringing the 1982 provision total to $288.3m of which $170m was for energy loans.

The bank also reported that its non-performing loans have soared to $800m, or 11 per cent of its $7.23bn loan portfolio at the end of the year.

The bank's total assets at the end of the year were $10bn, down 7 per cent from the previous year, and shareholders equity stood at $450m.

Mr Cooley said the results completed Seafirst's "most difficult year". However he expressed confidence that the bank's strengths "overshadow some of the recent difficulties".

Carrian: Not much credit for anyone, Page 15

Continued from Page 1

Opec

that both might be party to a production-sharing pact.

It was possible, said Wharton, that Iran might lower her output from the preferred 3.2m b/d to about 2.5m-2.7m b/d, and Libya from 1.5m-1.7m b/d to between 1.2m and 1.4m b/d.

In the oil industry there was still a strong feeling that Iran might ignore calls for production restraint. She continues to be involved in an Opec power struggle with Saudi Arabia.

Saudi Arabia's State radio warned Iran yesterday against mixing oil with politics. Some Opec members "seemed to have forgotten" that oil production should be subject to the laws of economics and not prone to modification by politicians.

In London spot price of Arabian light oil yesterday was between $31.25 and $31.50 a barrel, against $30.50-$30.65 a week earlier.

Continued from Page 1

Inflation

of 15.6 per cent at the start of last year, according to Central Statistical Office figures published yesterday. The TPI in December was 170.5 (January 1978—100) compared with 170.9 in November.

Peter Riddell, Political Editor, adds: Mrs Thatcher conceded that there might be a hiccup in the inflation rate.

Interviewed on BBC Radio during her tour of West Yorkshire, her message was that the latest figure was good news but more needed to be done.

She said: "If we carry on with the policies we are pursuing I believe we will get the inflation rate down further."

The Opposition view is that the slowdown in the inflation rate is temporary and has been bought at a high cost in terms of lost jobs and factory closures.

Schmidt relents on zero option

BY JAMES BUCHAN IN BONN

HERR HELMUT SCHMIDT, the former West German Chancellor and one of the architects of and one of the architects of Nato's arm-and-negotiate nuclear missile strategy in Europe, yesterday formally abandoned the demand he had championed in office for the total dismantling of Soviet intermediate-range missiles.

In Paris, however, Herr Helmut Kohl, the present Chancellor, was vague on the question of whether his government was prepared to modify its unequivocal support for President Reagan's so-called "zero option."

In a speech marking the 20th anniversary of his country's friendship treaty with France, Herr Kohl said only that Bonn had no intention of seeking accommodation with the Soviet Union damaging to its position in the Western alliance.

In a speech at his Social Democratic party's congress at Dortmund yesterday, Herr Schmidt joined a number of officials in both Europe and the U.S. in proposing a compromise short of President Reagan's "zero option." This envisages the dismantling of all Soviet intermediate-range missiles aimed at Europe as a "armament" element of its December, 1979, strategy.

Under the December, 1979, decision, Nato planned to prepare installing 572 new U.S. missiles in Western Europe should no results emerge in talks with the Soviet Union by this autumn.

Herr Schmidt's remarks correspond with comments by Mrs Thatcher in the Commons on Tuesday as well as some suggestions from Washington.

However, Chancellor Kohl repeated this week before Mr Andrei Gromyko, the Soviet Foreign Minister, his government's adherence to the "zero option."

Weather

UK TODAY

MAINLY cloudy but dry.

London, England apart from N.W., S. Wales and Channel Islands

Cloudy, dry with some sunny periods. Max. 7C (45F).

N. Wales, N.W. England, E. and Cen. Scotland

Cloudy, dry apart from drizzle on hills. Very mild. Max. 10C (50F).

N. Ireland, Rest of Scotland

Cloudy, some drizzle, gales on hills. Very mild. Max. 10C (50F).

Outlook: dry at first, rain later. Mild.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	11	52	L. Ang.†	F	7	45
Algiers	C	12	54	Luxmbg.	Sn	1	34
Amsdm.	C	7	45	Luxor	S	21	70
Athens	C	8	46	Madrid	S	5	41
Bahrain	S	15	59	Majorca	S	12	54
Barclna.	S	9	48	Malaga	F	12	54
Beirut	S	16	61	Malta	F	19	66
Belfast	C	6	43	Mchstr.	C	7	45
Belgrd.	S	1	34	Melbne.	S	23	73
Berlin	R	5	41	Mx. C.†	—	—	—
Biarritz	S	5	41	Miami†	C	14	66
Bmghm.	C	7	45	Milan	F	5	41
Blackp'l	C	7	45	Montr'l†	C	-10	14

		Y'day midday °C	°F			Y'day midday °C	°F
Boulgn.	C	6	43	Munich	C	0	32
Bristol	C	8	46	Nairobi	F	27	81
Brussels	C	5	41	Naples	S	5	41
Budpst.	Sn	0	32	Nassau		—	—
Cardiff	C	8	46	Nwcstl.	C	8	46
Cairo		—	—	N York†	C	-6	21
Casbca.	C	18	64	Nice	S	10	50
Cape T.	F	26	79	Nicosia	F	18	64
Chicg.†		—	—	Oporto	S	11	52
Cologne		—	—	Oslo	F	8	46
Cpnhgn.	C	8	46	Paris	C	4	39
Corfu	F	9	48	Perth	F	27	81
Denver†	C	-4	25	Prague	C	1	34
Dublin	C	7	45	Rykjvk.	R	5	41
Dbrvnk.	S	4	39	Rhodes	R	14	57
Ednbgh.	C	9	48	Rome	S	9	48
Faro	S	13	55	Salzb'rg	C	1	34
Florence	S	6	43	S'cisco†	C	7	45
Frankf't	R	3	37	S. M'ritz		—	—
Funchal		—	—	Singapr.		—	—
Geneva	S	1	34	S'tiago†		—	—
Gibrltr.	C	13	55	Stckhm.	F	5	41
Glasg'w	C	9	48	Strasb'g	Sn	2	36
G'nsey	C	7	45	Sydney	S	29	84
Helsinki	C	1	34	Tangier	S	13	55
H. Kong		—	—	Tel Aviv	S	16	61
Innsbr'k	S	-1	30	Tenerife	S	20	68
Invrnes.	C	9	48	Tokyo		—	—
I.o.Man	C	7	45	Tor'nto†	C	-14	7
Istanbul	Sl	1	34	Tunis	C	7	45
Jersey	C	7	45	Valencia	S	10	50
Jo'burg	F	27	81	Venice	S	5	41
L. Pims.	S	20	68	Vienna	C	2	36
Lisbon	S	10	50	Warsaw	R	2	36
Locarno	S	4	39	Zurich	F	2	36
London	C	7	45				

C—Cloudy F—Fair R—Rain S—Sunny

THE LEX COLUMN

Equities look to the upturn

The past week has provided very little evidence that a recovery in economic activity is underway, either in the UK or elsewhere. The November industrial production figures, published on Tuesday, showed manufacturing activity at its lowest level for almost 16 years. So, while final demand remains buoyant, import leakage and destocking still seems to be preventing orders from reaching the factory gates.

The position overseas looks little better. In quick succession, Racal and Davy stunned the stock market with bearish second half forecasts, attributable overwhelmingly to the difficulty of securing overseas contracts. But, to judge from the performance of London's equity market, investors are looking beyond the immediate difficulties to a sharpish recovery later in the year. The FT-A All-Share Index gained 5.2 points over the week to close on Friday at 396.6.

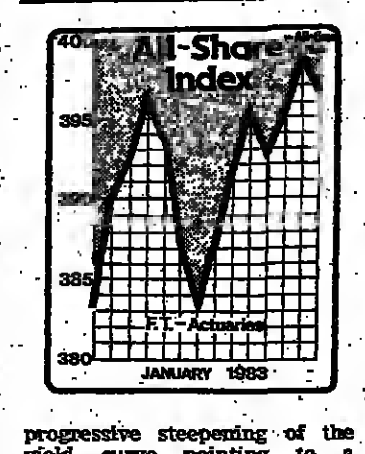
The steady depreciation of sterling, with its consequences for export margins, has certainly underpinned the market's confidence in a return to corporate earnings growth comfortably above the rate of inflation during the current year. But, significantly, the leaders of the present market advance are traditional bellwethors of economic recovery, oil and commodity-related stocks. In a market looking a distance ahead, news of poor output figures for November is water under the bridge.

The gilt-edged market has been treating historic information with similar scorn. The latest Public Sector Borrowing Requirement figures were good enough to suggest that the final out-turn for the current fiscal year will be comfortably within target, perhaps at under £8bn. Yet the market was as unimpressed with this statistic as it was with yesterday's news that inflation had fallen to 5.4 per cent, a figure which temporarily puts long-dated stocks on a real yield of around 6 per cent.

From a technical standpoint, the gilt-edged market should be in healthy shape. The January dividend season is underway and the demands of the authorities are fairly light. The Government Broker sold relatively little of his new index-linked stock at tender and there has recently been very little funding through conventional instruments.

But gilt-edged were still showing losses of up to 2½ points over the week, with the progressive steepening of the yield curve pointing to a distinct preference for liquidity. By yesterday evening, stocks maturing in the next century were showing yields only a whisker short of 12 per cent. Investors seem to be arguing that, while both sterling and gilt-edged may look cheap in the event of a Conservative victory at the polls, the prudent course at the moment is to reserve judgment.

Index fell 5.4 to 619.4



Vantona/Carrington

After a passage dogged by mishaps, Carrington Viyella and Vantona seem to be steering their merger plans home to safe harbour. Vantona has now tied up 80 per cent of the Carrington shares, and another 3 per cent have been promised. Not all of the rest will fall easily into its lap—Mr Joe Hyman has around 6 per cent and still seems opposed to the deal — but the betting is that Vantona will now be able to squeeze out the other 7 per cent that would allow it to go for a clean sweep.

The last week of controversy over Mr Bill Fieldhouse's service contract, however, has left a different sort of question mark hanging over the deal. Yesterday, Mr Fieldhouse sought to defuse the issue by announcing that he has relinquished the clause which meant his service agreement was repudiated as soon as he felt dissatisfied. But only a short time later, Vantona emphasised to its own shareholders that it remained deeply unhappy with long term contracts —and Mr Fieldhouse's will have five years to run.

This note of discord is particularly unsettling in a merger which has enough cards stacked against it as it is. Carrington Viyella is coming into the combined group at a low point in its fortunes, and, despite the rationalisation achieved by Mr Fieldhouse, it is bringing losses and heavy debts with it. Even with the fairest wind from the textile market, there will have to be further cuts and a sizeable effort at integration.

The Vantona shareholders' bet in supporting the merger is that the group's management will once again be able to turn around an ailing company. But mergers are inherently difficult to keep on course without strains between the two sides. And while this deal clearly amounts to a Vantona takeover of Carrington, it is by no means certain that this will mean a happy ship.

Hambro Life

The stock market was not expecting wonders from the 1982 business figures of Hambro Life, reported yesterday, but it did at least hold out the hope of a second half recovery, in line with the general industry pattern. Instead, growth in initial commissions during the second half totalled a meagre 3.3 per cent, well down even on the disappointing 8 per cent increase reported for the first six months. Set alongside the figures of Abbey Life, its main competitor, Hambro Life's results look pretty anaemic.

So, for the moment at least, the hare of the sector has turned tortoise. Hambro is in the throes of reorganising its sales force, weeding out the low producers and the inefficient. The slimmer sales force has produced more business per individual but not enough to make up lost ground.

At the same time, many of Hambro's products have been overtaken by other linked life companies offering better designed and more flexible versions of Hambro's original ideas. Belatedly, the company is revamping its whole product range and the first fruits are now emerging — a whole life plan incorporating brand new ideas.

It takes about a year for new business results to affect profits, so Hambro's 1982 earnings should still benefit from the strong business growth of the previous two years. Net profits could be up 15 per cent to about £19.3m, matched by a similar increase in the total dividend. On that basis, the shares — which dropped 16p yesterday to 322p — are yielding 5.9 per cent.

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